

Impact of Proposed FY 2007 Budget Cuts on State & Local Air Quality Agencies



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March 14, 2006

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Executive Summary

Introduction

The President's FY 2007 budget request calls for a 16-percent cut (\$35.1 million) in Section 103/105 grants. This would reduce the grant total from \$220.3 million in FY 2006 to \$185.2 million in FY 2007. Specifically, it makes the following cuts: \$15.6 million from the Section 105 air grants program; \$17 million from the Section 103 fine particulate monitoring program and \$2.5 million from regional planning organizations. Also, funding for the fine particulate monitoring program would be shifted from Section 103 authority to Section 105, requiring additional state and local matching funds.

STAPPA and ALAPCO believe such a reduction would be devastating to state and local air quality programs, which are already underfunded, and recommend that the cuts be restored and the fine particulate matter monitoring grant program not be shifted from Section 103 authority to Section 105 authority.

In order to illustrate the adverse impacts of such a budget cut, STAPPA and ALAPCO collected from state and local air agencies information and examples of how such a reduction would adversely affect their programs and air quality. Specifically, these agencies were asked to provide the following information. This document constitutes a compilation of their responses.

What would be the impact of a 16-percent cut on your agency and your clean air program? Please limit your response to no more than 2-3 pages. We recognize that you have probably not yet done a full analysis of the budgetary impacts. We are merely seeking your best guess about the impacts of such a cut in order to provide a sense of the repercussions of a reduction in the budget of this magnitude. Please address the following in your response:

- *How much would a 16-percent cut in Sections 103/105 grants to your agency be?*
- *What would be the impacts of the cut on public health and your program?*
- *Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?*

Highlights of Responses

If the proposed reductions occur, on average, each state will lose \$702,000 in FY 2007 (comprised of an average reduction of approximately \$340,000 in fine particulate monitoring and \$360,000 from the other elements of the air quality program). While some agencies will experience greater or lesser reductions than the average, all agencies will likely be affected by these decreases.

Most state and local agencies reported that they would be forced to lay off staff or leave current vacancies unfilled. This loss of staff and expertise is very significant because, even if

there are budget increases in future years, the trained personnel that leave the agency would likely be unavailable to the agency in the future and new staff would have to be retrained, which is very costly.

Many agencies reported that they would have to shut down existing monitors or otherwise curtail their monitoring programs. Many also reported that the reductions would impair their ability to conduct inspections and carry out enforcement activities, thus rendering the clean air requirements less effective. Additionally, permits for non-Title V sources (e.g., minor sources) will take longer to process and customer service will diminish.

State and local air agencies will be required to prepare new plans for implementing ozone and particulate matter standards, yet the funding cuts could seriously impair their ability to draft these important State Implementation Plans (SIPs). The development of effective SIPs is essential to ensure that measures will be adopted that reduce air pollution and protect public health.

Several agencies noted that they could be forced to return portions of their programs to EPA due to a lack of funds to carry them out. Not only will this place excessive burdens on EPA, but there would be an additional loss of resources for the air program as state and local funds that are currently leveraged as part of the matching requirements would no longer be spent on those Clean Air Act activities.

Without funds for activities to maintain air quality, several areas that currently meet the standards may find themselves in nonattainment. Not only would the air quality be worse, but nonattainment areas are subject to more onerous requirements and, if unable to meet the standards, could even be sanctioned (including loss of federal highway funds).

The budget cuts would be further exacerbated by the proposal to shift the fine particulate monitoring program from Section 103 authority (where no state or local match is required) to Section 105 authority (which requires a 40-percent match). Some agencies do not have additional funds for the match requirements, so they may have to refuse some grants that they now receive. Some agencies, because of two-year legislative cycles or the timing of budget development, can not supply additional matching funds without a reasonable transition period in which to make budget adjustments. They also could be forced to turn away grant funds.

Perhaps most troubling of all, if the proposed reductions occur, several local air quality agencies face the very real possibility of having to close their operations entirely. This would be a terrible loss for those local areas.

Who Are STAPPA and ALAPCO?

The State and Territorial Air Pollution Program Administrators (STAPPA) and the Association of Local Air Pollution Control Officials (ALAPCO) are the two national associations of air quality officials in the states, territories and major metropolitan areas throughout the country. The members of STAPPA and ALAPCO have primary responsibility for implementing our nation's air pollution control laws and regulations. The associations serve to

encourage the exchange of information and experience among air pollution control officials; enhance communication and cooperation among federal, state and local regulatory agencies; and facilitate air pollution control activities that will result in clean, healthful air across the country. STAPPA and ALAPCO share joint headquarters in Washington, DC.

For further information, including contact information for state and local air quality agencies, visit STAPPA/ALAPCO's web site at www.4cleanair.org or call (202) 624-7864.

Alabama

A 16-percent cut would equate to approximately \$297,100 and a loss of 6.8 person-years that would result in decreased asbestos and minor source inspections, and tasks associated with PM_{2.5} monitoring and sample analysis.

Alaska

The President's budget makes a 16-percent reduction in Clean Air Act Section 103 and Section 105 grants to state air programs. The 16-percent reduction for Alaska is calculated to be \$217,800.

Expected consequences in Alaska are:

- Alaska Department of Environmental Conservation (DEC) would cease its ongoing field health study that is examining whether or not exhaust fumes from rural diesel power generators are having a similar and serious health impact on native Alaskans as that found by EPA experts for people who live near major urban roadways where diesel trucks and buses are common. Almost all rural Alaska communities and villages have isolated electric-generating plants that use a bank of three to 10 diesel engines to generate electricity. There are approximately 200 communities and small villages in rural Alaska. While some states are taking immediate action to replace or upgrade diesel-fired sources based upon risk assessment analyses, electricity rates are already the highest in the nation in rural Alaska and these communities are too cash poor to support any higher costs of generating electricity. Therefore, Alaska DEC is conducting a health study to examine diesel-fume exposure and site-specific health risks to determine if the costs of retrofitting diesel engines with catalysts and ultra low-sulfur diesel fuel is warranted.
- Alaska DEC would cease air quality monitoring in rural communities where residents have complained about intolerable dust caused by vehicles and four-wheelers using unpaved roads, trails and other open areas. Work thus far in Kotzebue and Bethel showed high pollution levels. For FY 2007, we had planned to begin new projects in the villages of St. Mary's and Unalakleet. Alaska Department of Transportation needs the data before planning dust mitigation projects to improve air quality. Dust is classified as coarse particle air pollution (PM₁₀ or PM_{Coarse}) under EPA's health standards.
- Alaska DEC will shut down air monitoring stations in Juneau and Palmer where fine particle air pollution (PM_{2.5}) measurements have been used to warn residents with respiratory or cardiac ailments when pollution levels are high, so they can take protective actions.
- Alaska DEC would no longer provide assistance to help school districts and other Alaska organizations receive EPA grant funds to clean-up older diesel engines since the budget language will disqualify most Alaska organizations even though these grant funds are markedly increasing. The President's budget provides a significant increase (\$49 million, up from \$12 million) in grant funds to clean up older diesel fueled vehicles, non-road construction and marine diesel equipment. EPA grants are issued to private sector and community organizations. In Alaska, funds have been limited to date, but have great potential for use by school districts and rural community power plants. The budget

language limits the grant funds to only nonattainment areas. This provision will disqualify almost all Alaska entities because Alaska's two nonattainment areas that could qualify are small areas and now meet the standards.

Arizona – Pima County

A 16-percent cut for Pima County Department of Environmental Quality would be about \$80,000. This would likely result in the reduction of the number of monitors we have in place, a concurrent cut in monitoring staff, and less information available to the public regarding air quality issues. We would need to cut one additional position, and that would be a field inspector, permit writer or our citizens' assistance/Environmental Justice staff member. Regardless, we will be doing less for the community and for the businesses we regulate, resulting in slower turnaround, fewer inspections and less assistance.

California

Our Section 105 base grant is roughly \$6.2 million: \$5.4 million of the total is already committed to cover existing staff costs. The balance, approximately \$800,000, is discretionary and is divided out as part of the annual allocations. The proposed 16-percent cut, if applied in an across-the-board manner, translates to nearly \$1 million reduction for the Air Resources Board.

Awards from Section 103 funds fluctuate widely from year to year – from \$3 million to \$6 million in recent years. Unlike Section 105 grants, they are project oriented and for specific purposes. We forego the project if funding is not forthcoming.

California – Amador County

The Amador County Air Pollution Control District (the Amador Air District) does not receive Section 103 or Section 105 funding directly from EPA. The State of California Air Resources Board receives these funds on behalf of small air districts, such as this, and then disburses the funds through a statewide subvention process.

Currently, the Amador Air District's funding from state subvention amounts to about \$46,600 per year. If those funds are reduced by 16 percent, the District will lose about \$7,500. For the short term, the District may be able to recover those funds from increased permit fees. Long-term impacts are described in more detail below.

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

Approximately \$7,500.

What would be the impacts of the cut on public health and your program?

There would be no immediate impact on the public's health. The entire annual travel expense budget for staff training and attendance at California Air Pollution Control Officers Association committee meetings would be eliminated).

Please provide quantitative and/or qualitative information about the impacts.

None of the three staff members would be laid off and there would be no change in enforcement, but all travel and training related expenses would be eliminated until the budget shortfall is bridged.

The District's budget typically runs below \$500,000 each fiscal year. For the past 14 years staffing has remained flat at three persons. Our industrial base has been eroding while residential construction and its inherent drain on resources are currently poised for a quantum leap. The District is comprised of 37,500 residents and there are between 6,200 and 8,000 new residences currently planned for construction during the next ten years. In 2004 the District was designated a nonattainment area for the new federal 8-hour ozone standard. To accommodate the District's financial requirements and maintain the current level of service, staffing would need to increase by a minimum of two full-time employees. This would necessitate an increase to the current budget of approximately \$250,000 by fiscal year 2008-2009.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

If the proposed budget cuts are implemented and sustained for the foreseeable future, small locally managed air programs will become an endangered species. Larger neighboring air districts will be asked to fold the smaller districts into their programs which will inevitably reduce the level of service to the public and increase their health risks from the harmful effects of air pollution.

California – San Diego County

Following is the San Diego County Air Pollution Control District's (SDAPCD) response to the questions posed concerning the proposed reductions in federal grant monies EPA provides to state and local air pollution control agencies. In addition, the basis the Administration has used to justify the proposed reductions is flawed. State and local air quality programs are not "inadequate" or "not performing". Air agency programs throughout the United States have been very successful, as shown using EPA's own air quality data at www.epa.gov/airtrends/factbook.html. The assertion that air quality programs are not performing is not supported by air quality data, which should be the measure by which air quality programs are judged.

It is clear that air quality programs are performing and achieving major successes in spite of growth in population and vehicle miles traveled during this same time period. We are aware

of no other environmental improvement program (and few other programs) that have shown such sustained improvement over the past 15 to 25 years.

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

The SDAPCD's estimated reduction impact based on a 9-percent reduction in base Section 105 grant and 40-percent reduction in PM_{2.5}, would be approximately \$235,000.

What would be the impacts of the cut on public health and your program?

The frequency of PM_{2.5} sampling would be reduced from monitoring every three days to monitoring every six days. Staff resources assigned to strategy and rule development for ozone and PM_{2.5} attainment would be reduced, extending the timeframe to attainment. Permit processing staff would be reduced, resulting in greater delays in business permit processing time. In San Diego, all national ambient air quality standards are now being met with the exception of the new 8-hour ozone standard, and significant progress has been made in meeting that standard. The number of days when the 8-hour ozone standard was exceeded dropped from about 100 in 1990 to 5 days in 2005, a near 95-percent reduction despite a 20-percent increase in population and a 30-percent increase in vehicle usage. PM_{2.5} levels have also declined in the last five years, primarily as a result of core air contaminant emission reduction programs that are partially funded by the EPA grants. Public health risks from measured levels of toxic air contaminants have declined by more than 50 percent. Extended reductions in funding for these programs over time would likely slow and could well reverse the beneficial air quality gains achieved since passage of the Clean Air Act.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

EPA's program of establishing National Ambient Air Quality Standards and requiring state/local air quality monitoring and preparation and execution of air quality improvement plans represents a successful program with scientifically quantifiable results. EPA grant money is used to help fund core air pollution control programs (monitoring, forecasting, emissions inventory, planning, rule development, permitting, complaints, etc.) and is more than equally matched by funds from local revenue sources. Ozone has been monitored nationally for more than a quarter century. PM_{2.5} has been monitored for more than five years. Baseline levels are well established, targets are well known (i.e., states must achieve attainment of the NAAQS with reportable, quantifiable interim progress), and results are regularly reported to EPA and the public. In San Diego, the Section 103 grant pays for most of the cost of operating the PM_{2.5} monitoring network, but does not fund SDAPCD's costs associated with air quality planning, rule development and permitting for sources of PM_{2.5} and precursors.

California – Santa Barbara County

Local agencies, such as the Santa Barbara County Air Pollution Control District, have limited revenue sources and would be severely affected by a 16-percent reduction in the EPA Section 105 grant. Our current EPA Section 105 grant funding represents roughly 8 percent of

our current staffing budget and the proposed reduction could result in the loss of one full-time employee. As we are already short-staffed for the mission that we must tackle, the loss of the funding would be devastating to our success.

The following is some perspective on what this funding reduction could mean to our agency. If we were to reduce an inspector position to make up for the lost revenue, we would have to eliminate 150 inspections that we conduct throughout the year. There is clear evidence that an adequate inspection program reduces excess air pollution emissions and the associated health impacts on our community and provides equity in the marketplace by discouraging scofflaws. Fewer inspections mean that our children and the public at large will be subject to greater emissions that can adversely affect their health and well-being. This is not the direction that our programs should take.

Santa Barbara County has made great strides in improving our air quality, but there is much more work to be done. We have already been subject to a reduction in Congestion Management and Air Quality Improvement Program (CMAQ) funds provided to our county, and continued reductions in federal funding jeopardize our hard-won air quality improvements. In fact, our programs are in need of additional federal funding as we become subject to more health-protective standards promulgated by EPA and fight to maintain our improved air quality in the face of ever increasing population and vehicle miles traveled.

Reducing federal grant funding to local air quality agencies is bad public policy. Not only should this critical funding in EPA's FY 2007 budget be reinstated, but it should be increased beyond FY 2006 funding levels.

California – Ventura County

For the Ventura County Air Pollution Control District, the cuts would mean a loss of \$193,000. This would result in the layoff of two staff members. Our agency has an excellent working relationship with the regulated community, based on our timely permitting and compliance assistance. The cuts would impact our ability to continue to issue permits in a timely manner and provide permitting and compliance assistance to businesses. The reductions could also impact our ability to respond to some public complaints in a timely and effective manner.

Connecticut

If Section 103 and 105 grants to Connecticut were reduced by 16 percent, we would have to lose seven Full Time Equivalents (FTEs).

Delaware

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

For Delaware, a 16-percent cut would translate into \$230,000 and 1.5-percent reduction in our overall budget, provided that every other revenue source remains the flat.

What would be the impacts of the cut on public health and your program?

Currently 33 personnel are fully or partially paid by Section 103/105 funds for an equivalent of 18 FTEs. The salaries represent 72 percent of the grant dollars. These positions involve personnel engaged in administrative work, planning, permitting, inspection, monitoring and enforcement. Positions that are 100-percent supported by grant would be most vulnerable and those are our enforcement and planning positions. The resultant layoff would reduce our enforcement capabilities by at least 10 percent. Given the SIP deadlines and challenge of producing multiple SIPs within the next couple of years, we can hardly afford to lose any resources from our planning group. This could significantly impact our ability to meet our State Implementation Plan (SIP) obligation. However, our monitoring resources will probably be most adversely impacted. A major portion of our network maintenance and upgrade is funded from Section 105/103 grants and this loss would probably result in shutdown of one or more monitoring sites.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

We are currently experiencing Title V fee shortfalls, as well as general-fund pressure, which would not be able to fill the revenues lost from grants. We have travel restrictions in place that would only get worse and we will no longer be able to participate in regional meetings and workshops. Training and equipment maintenance and upgrade will also be reduced or virtually eliminated.

Florida

How much would a 16-percent cut in Sections 103/105 grants to your agency be in dollars?

- EPA Section 105 grants dollars for the state would be reduced by \$231,457.
- EPA Section 103 PM_{2.5} monitoring dollars for the state would be reduced by \$85,033.
- Total reduction from both Sections 103/105 grants would be \$316,490.
- By combining the two grants together, the state's current match at 59.7 percent would be increased by \$318,164.

What would be the impacts of the cut on public health and your program?

The impacts on the state's ambient monitoring program would be significant.

The state is already planning to accommodate some of the new PM coarse requirements within the current levels of funding for PM₁₀, but filter costs will increase with the new PM coarse requirements, so we would be faced with reducing other monitoring to make up the difference.

A reduction in Section 105 funding will mean the state would have to reduce the level of service in some of the Section 105-funded programs in order to meet the minimum federal monitoring requirements for PM coarse. Possible areas we have considered would include training, compliance assistance, asbestos, transportation quality-related issues and any voluntary programs to which the state has agreed.

While the state's PM₁₀ monitoring will stop when the PM coarse standard is implemented, the state had planned to convert the existing PM₁₀ continuous monitors to PM_{2.5}, to increase coverage for the Air Quality Index and public awareness. PM_{2.5} is a possible future issue for Florida, particularly in the panhandle, where we are close to the annual standard.

The state has already reduced its NO_x and SO₂ monitoring network. If forced to make additional cuts in this area, we would remove our remaining NO_x monitor (in Pensacola) and the remaining four SO₂ monitors (in Pensacola, Fernandina Beach, White Springs and Palatka). We have no CO monitors operated outside of local programs.

The state cannot realize any cuts in the ozone monitoring network as that, and PM, are criteria pollutants of primary concern in Florida.

We are just beginning monitoring in Tallahassee for VOC-Hazardous Air Pollutants. We would probably have to cut that effort, if necessary, to free up resources for monitoring criteria pollutants.

To absorb an effective \$85,000 reduction for PM_{2.5} monitoring, the state would have to discontinue PM_{2.5} federal reference monitors outside of local program areas. In this short time we can't estimate the number, but we only have a limited number outside of the panhandle that are not operated by local programs. The best-case scenario for maintaining the DEP FRM PM_{2.5} network would be to cut the funding for PM_{2.5} monitoring in Orange and Sarasota counties. This alone would account for close to \$85,000 when you include the reduction in filter costs.

Florida – Hillsborough County

A 16-percent cut in funding would mean the loss of \$150,000 in federal and matched funds. This would result in the loss of two staff positions and a marked decrease in our annual activities. Such a reduction would significantly reduce our ability to ensure compliance within our grant commitment areas. In Hillsborough County there are nearly 200 permitted stationary air pollution sources, over 22 million miles of vehicle travel each day, a major international shipping port and countless area sources that impact the County's one million residents. A loss in funding would equate to a loss in protection, thus negatively impacting our ability to serve the citizens of this county. The following table details the effects a 16-percent reduction in funding would have on specific program areas.

Environmental Protection Commission of Hillsborough County Response to the STAPPA/ALAPCO Survey on Proposed 2007 Budget Cuts		
Section 105 Funded Categories	Annual Activities	Activities Decreased by 16%
Grant Amount	947,280	795,715
Staff		
Personnel	11	9
Total staff loss		2
Asbestos		
Asbestos Notifications reviewed	737	619
Total Asbestos Inspections	225	189
Total loss of activities		154
Air Pollution Operations		
Total Complaints Received and Investigated	301	252
Total Warning Notices Issued	299	251
Total loss of activities		97
Permitting		
Total non-TV permits issued	70	58
New Source Review	6	5
Total loss of activities		13
Air Toxics		
Total non-Title V NESHAP Permit Inspections	9	7
Total NESHAP Warning Notices	3	2
Total NESHAP Complaints	8	7
Total NESHAP Permits Reviewed	32	27
Total loss of activities		9
Industrial Air (IA) Compliance		
Total Synthetic and True Minor Facility Inspections	125	105
AORs Reviewed	62	52
Total Stack Tests Reviewed	63	53
Total Visible Emission Tests Reviewed	516	433
Total IA Warning Notices Issued	64	54
Total IA Complaints	96	81
Total loss of activities		148
Pollution Prevention (P2)		
P2 presentations	15	13
Total loss of activities		2

Air Monitoring		
Air monitors supported by Sect. 105 (accounts for all ozone monitors)	9	8
Total loss of activities		1
Training		
Training participation (by persons-events)	33	28
Total loss of activities		5
Enforcement		
Cases initiated	31	26
Cases closed	35	29
Notices of Intent issued	34	29
Consent Orders signed	28	24
Total loss of activities		20

Florida – Jacksonville

The City of Jacksonville's Environmental Quality Division (EQD) would be facing a reduction of \$77,000 if a 16-percent reduction is affected against both the Sections 103 and 105 grants.

Given the importance of ambient air monitoring in protecting the public health and welfare, we will recommend the deletion of the Environmental Enforcement Administrator position. Deletion of such a position, with benefits, would almost cover the reduction in funding of \$77,000. Granted, EQD would be severely hampered in any attempt to affect fines, initiate compliance orders, negotiate settlement agreements, or consider SEPs. However, this would seem more appropriate than reducing the number or the frequency of ambient air monitoring efforts. However should the violation be severe enough, then EQD could forward the case to the state Department of Environmental Protection or EPA.

Given the magnitude of this reduction in funding, and a lack of means to "make it up", EQD will be facing a reduction in staffing, regardless of which position is ultimately selected.

Florida – Miami-Dade County

A 16-percent cut in Sections 103/105 grants would amount to approximately the following:

- Section 103 grant – \$14,161 loss (from \$88,501 to \$74,341)
- Section 105 grant – \$65,562 loss (from \$409,759 to \$344,197)
- A total loss of \$79,723

Decreased funding would potentially result in cutbacks of service levels for several programs including Particulate Matter Monitoring, Asbestos, Transportation-related Programs, Compliance Assistance, Public Outreach and other voluntary programs. The potential funding cuts compounded with the relatively status quo funding levels over the past several years are sure to impact program resources. EPA Section 105 Grant funding has increased approximately 11 percent over the last five years, while salary and cost-of-living have increased at a higher rate, placing an increasing strain on our budget.

Particulate Matter Monitoring

New PM standards and the potential associated costs create a great concern about the ability to provide a complete particulate monitoring network with current or diminished resources.

Asbestos

The Miami-Dade County Asbestos Program is designed to achieve reasonable assurance of the protection of public health from exposure to asbestos. Although the current program goal for inspection of NESHAP projects is higher than required in the Section 105 grant workplan, a decrease in asbestos efforts would be detrimental to the efficacy of the program and ultimately the protection of public health. Fewer inspections would reduce the effectiveness of regulatory overview and enforcement, as well as sacrifice the existing strong sense of presence in the contractor community, potentially resulting in a higher non-compliance rate as well as a higher demand on enforcement resources. Furthermore, the current development boom in Miami-Dade County puts an emphasis on the need for continued levels of effort.

"The success of the construction sector, which grew 4.7 percent between February 2004 and February 2005, is due to the continued building and planning of residential and commercial real estate, in particular, condominiums in downtown Miami and single family homes and townhouses in South Dade." (The Beacon Council, March 2005).

Transportation-related Impacts

Resources for these programs have been impacted by the loss of Congestion Mitigation Air Quality (CMAQ) monies to the area, due to attainment redesignation. Further reductions will have a significant impact on transportation-related initiatives and a potential long-term effect on ambient air quality.

Again, being that Miami-Dade County is experiencing a development boom, a decrease in input during transportation planning and traffic congestion mitigation initiatives would be detrimental to the future of our local air quality.

Public and Industry Outreach and Other Voluntary Initiatives

Because the automobile is the largest contributor to air pollution in Miami-Dade County, public outreach projects have been developed and expanded over the past several years. Participation in local and federal programs, such as the EPA and FDOT *It All Adds Up to Cleaner Air* campaign, would be curtailed. Locally, Miami-Dade County participates in tri-

county outreach efforts and events with partners including, Broward County Environmental Protection Department, Palm Beach County Health Department, the Southeast District of the Florida Department of Environmental Protection, Clean Cities, Miami-Dade and Broward County Metropolitan Planning Organizations and Transit Agencies, as well as the American Lung Association and South Florida Commuter Services. These initiatives strive to raise awareness of the impact burning gasoline has on air quality and to promote fuel efficiency, alternative modes of transportation, and carpooling. Past initiatives include Car Care Month Campaigns in partnership with AAA and local vehicle and tire repair shops and Clean Air Month campaigns including radio and television public service announcements.

Industry outreach efforts would also likely be impacted. Workshops and presentations on upcoming regulations and compliance issues for industrial sectors would be minimized and possibly curtailed altogether. This sort of compliance assistance is essential in developing communication between regulators and the regulated community in an effort to increase compliance rates. Examples of past workshops include Compliance with the Boat MACT, Annual Operating Report Workshop, and permitting and compliance presentations at various conferences.

Florida – Orlando

Orlando, Florida was recently cited in the media as having some of the most congested highways in the nation; accordingly, the associated fine particulate matter is of great concern to us. Our PM_{2.5} monitoring funds are provided by the EPA Section 103 grant and any cut in these funds could affect our PM monitoring network and our ability to protect public health. Also, with the new PM standards, budgetary cutbacks could reduce our effectiveness in complying with the standards, due to personnel or equipment funding issues.

Florida – Palm Beach County

The proposed 16-percent cut in Sections 103/105 grants would adversely impact Palm Beach County Health Department's Air Program. The reduction in funding would amount to approximately \$13,046 for the Section 103 grant, and \$40,362 for the Section 105 grant, totaling \$53,408. The decreased funding would likely result in the elimination or reduction of activities in the following areas:

- The elimination of special-purpose monitoring for PM_{2.5} in a rural community impacted by agriculture open burning.
- The reduction of one Full Time Equivalent work effort in the area of outreach, volunteer programs, compliance assistance and mobile source control. This would greatly diminish our ability to promote and implement such programs as pollution prevention, diesel retrofit, alternative fuels and vehicles, climate control and indoor air quality. These programs are important as strategies to maintain air quality in an area that is experiencing rapid growth in population and associated vehicle miles traveled on the transportation network.

Georgia

The proposed budget cuts would result in a reduction to Georgia of about \$384,000.

The most significant impact of this cut would be on our ambient monitoring activities. Some of our monitoring is done with our personnel, but a contractor performs the bulk of it. The proposed reduction in Section 105 funds would significantly impact our overall monitoring contract. Most of the ambient monitoring activities that are currently funded under Section 105 are not Title V or Inspection/Maintenance eligible activities, so those funding sources could not be used to completely offset these proposed reductions.

Without full funding of the monitoring contract, large areas of monitoring would cease, including possibly the whole coastal area of Georgia. This area of the state would be chosen because present monitoring data indicates much lower concentrations of criteria and air toxics pollutants compared with the rest of Georgia. However, this would create a large data gap potentially impacting how we can evaluate future air quality standards and how we can support regional and national air quality planning.

In addition to the reductions in the contracted monitoring work, one to two ambient monitoring FTEs could be eliminated. This reduction could lead to a reduction in PAMS operations, ozone monitoring, ozone and PM_{2.5} forecasting, availability of meteorological support, and data analysis of ozone and other air quality data. (This kind of analysis was very useful both for the metro-Atlanta ozone area mid-course review and the 1-hour attainment justification document.)

The proposed funding cuts would also impact our overall nonattainment area planning, though it is not clear how many additional FTEs would be impacted. This would result in:

- less participation in transportation conformity efforts in existing and new nonattainment areas including interagency consultation, and providing technical support to other agencies for transportation emissions modeling;
- less air quality modeling for developing attainment SIPs;
- reduced control strategy development in the following areas: diesel reduction programs (e.g., diesel retrofits, anti-idling, truck stop electrification), open burning, travel demand measures (such as Clean Air Campaign and Best Workplace Practices), area source controls (e.g., rail yards, airports), and on-road mobile (e.g., speed limit reduction, TCMs);
- delayed development of Greenhouse Gas Inventories; and
- delayed emissions inventories including compliance with the Consolidated Emissions Reporting Rule.

Hawaii

Hawaii may not be large in population or highly industrialized, and receives only the minimum allotment of the Clean Air Act (CAA) Section 105 funds. However, Hawaii still is

highly dependent on the grant funds to maintain the statewide air program. In addition, Hawaii, like the other states, is constantly being confronted with many new federal requirements and some controversial changes to the existing federal regulations that challenge the existing manpower and funding resources. The massive federal haze regulations and the mercury rule are just two examples where Hawaii has only limited staff or expertise and is struggling to comply with the requirements.

For Hawaii, a 16-percent cutback in the CAA Section 103/105 state grants translates to a decrease of \$130,000 in federal funds. The amount may seem small but the impact is large to the overall air program, where the statewide air quality monitoring network, the compliance program, the asbestos program, and the indoor air program are highly dependent on the federal funds. As with any cutbacks, it is difficult to determine how and where the reductions should be made. Some cuts may be distributed among the various activities, while it is possible that certain programs will be eliminated entirely.

The indoor air program may be considered for elimination since its operating cost will provide a savings of \$100,000 in federal funds. The drawback is that this is the only environmental state program that conducts investigations of indoor air complaints and provides educational outreach. With regard to the asbestos program under 40 CFR Part 61 and the compliance program under CAA Section 112(r), both activities will be handicapped if the funding to those activities were eliminated, since the federal funds are used to support personnel. It is always difficult, if not impossible, to obtain state general funds to compensate for the loss of federal funds regardless of whether it is for operational or personnel costs. The statewide air monitoring network will also be considered in any reduction of federal funds, since a large percentage of federal funding does go towards this activity. The scaling back of the monitoring network, with the possible closing and consolidation of monitoring stations, will have to be seriously considered, although difficult. As a reminder, Hawaii is composed of four major islands, each with mountainous terrain that may result in different wind and weather patterns for any given area. As with other states, the citizens of Hawaii expect the air program to maintain a strong air quality monitoring network throughout the state as the economic basis shifts among agriculture, military, tourism, and industry.

In closing, should a cutback in CAA Section 103/105 grant funds of 16 percent be sustained for the FY 2007 budget year, it will have an overall detrimental impact on Hawaii's air program. Hard decisions will have to be made as to the elimination or downsizing of programs and the repercussions will reverberate as other areas may have to assume added responsibilities. If more cuts are proposed in the grant funds for FY 2008, then Hawaii will have to seriously consider its options and decide whether it can continue to assume federal delegated programs and to administer and enforce federal requirements.

Idaho

A 16-percent cut in Section 103/105 grants would amount to approximately \$221,500 for Idaho.

Existing federal cuts from previous years have resulted in a very real threat to Idaho's smoke management program (SMP). We have already shut down five SMP-critical and two other monitoring sites around the state. Idaho has cut all non-essential monitoring in advance of other states in the U.S. These include monitors associated with Air Quality Index programs that are used locally for health protection purposes. Additionally, we have frozen three vacant positions due to existing federal budgets cuts. The proposed cuts will result in more positions being frozen through attrition, as well as shutting down three or more monitors currently required by SIPs. As for permitting work, we are currently amassing a backlog of permits at the rate of about two permits per month. The proposed cuts will add about 10 additional permits per year to this backlog. Also it will limit our ability to provide oversight of critical compliance issues, such as source-testing observations and reviews, and permit hand-off meetings (to discuss permit terms and requirements – education for the sources of what is expected in their permit). Finally, additional cuts may prompt Idaho to abandon non-health based programs, and rely on EPA to run them, such as Regional Haze.

Illinois

As a result of the proposed FY 2007 federal funding, the Bureau of Air anticipates a decrease in federal funds, which will require an increase in state match dollars to continue implementation of numerous Bureau programs. Over the past several years, the Bureau has experienced both funding increases and decreases. Decreases in funding in previous years have been relatively minor; however, funding cuts for FY 2007 are the most significant the state has experienced, and further funding decreases will require the Bureau to prioritize spending of federal funds in the coming years. The Bureau receives two main sources of federal funds: Section 105 Performance Partnership Grant (PPG) and Section 103 Air Monitoring Grant. The Bush Administration has proposed a \$35.1 million cut in total Section 105 and Section 103 funding. For Illinois, this translates into a 16-percent - \$997,717 - cut in the Section 105 PPG and a 40-percent - \$220,000 - cut in Section 103 funds.

Past Air State/Local Assistance

	2004	2005	2006	2007
Total Section 103 and Section 105 Funding	\$228,500,000	\$225,000,000	\$220,260,000	\$185,200,000
Decreased Amount		(\$3,500,000)	(\$4,740,000)	(\$35,060,000)

Total Federal Funding Decreases Since 2004 = \$43,300,000

Funding Proposals FY 2006 and FY 2007

	FY 2006	FY 2007	Difference	% Change
Section 105 PPG:				
Ozone	\$2,717,835	\$2,282,981	(\$434,854)	
<i>PM</i>	\$787,864	\$661,806	(\$126,058)	
<i>Visibility</i>	\$113,917	\$95,690	(\$18,227)	
<i>Lead</i>	\$35,006	\$29,405	(\$5,601)	
<i>CO</i>	\$202,915	\$170,448	(\$32,446)	
<i>SO₂</i>	\$118,663	\$99,677	(\$18,986)	
<i>Air Toxics Implementation</i>	\$645,918	\$542,571	(\$103,347)	
<i>Air Toxics Characterization</i>	\$1,166,095	\$979,520	(\$186,575)	
<i>Air Toxics – Great Lakes</i>	\$280,793	\$235,866	(\$44,927)	
<i>Acid Rain</i>	\$166,722	\$140,047	(\$26,676)	
Total Section 105	**\$6,235,728	**\$5,238,012	(\$997,717)	-16%
Section 103 – PM_{2.5}*	\$550,000	\$330,000	(\$220,000)	-40%

*Proposal to roll Section 103 PM_{2.5} funding into Section 105 PPG in FY 2007, which will require a 40-percent state match. Currently, PM_{2.5} is 100 percent federal funding.

**Total U.S. EPA allocation.

Currently, the Agency does not have guidance or information on where the 16-percent decrease will occur. Unless mandated otherwise, the Bureau will be required to address cuts from the following programs:

Air Monitoring: With the cut in Section 105 funding and a match requirement to the Section 103, the base-monitoring network will have to be reduced, that is, the focus will be on PM_{2.5} and ozone in the designated nonattainment areas, with reductions in the regional monitors and with reduction in the other criteria pollutants (sulfur dioxide, carbon monoxide, lead). The existing PM_{2.5} network includes innovative technology (hazecam, IMPROVE), field research and development (sampler inter-comparison, continuous monitors – carbon, sulfate, nitrate, and special purpose monitoring – O'Hare Airport, Dan Ryan Expressway – these programs would likely all be discontinued). The ozone network would also be reduced to just essential sites and special studies such as Sears Tower (high elevation monitoring, and VOC method comparisons) would cease. These monitors add to our knowledge about the regional contribution to air pollution levels and provide a base of information to evaluate candidate control measures on a regional basis.

The grant cuts will also impact other non-criteria pollutant monitoring (e.g., toxics), initiatives to improve existing monitoring methods (continuous versus manual methods), the

ability to respond to equipment failures, lowering data completeness and lesser amounts of quality assurance. Hence, the overall effect of program funding reduction would be substantially less network data (10-20 percent less), most, if not all, special projects cut, slower reporting of data and less quality assurance.

Air Quality Planning: Overall, there would be a negative impact on the Bureau's ability to respond to and address existing and upcoming regulations. The Agency continues to develop a plan to address PM_{2.5} and 8-hour ozone through modeling and identifying control strategies. This cannot be done without adequate funding to support those activities. As a result of the proposed funding decrease, the Bureau will likely not be able to fill existing staff vacancies and conduct monitoring necessary to address and meet new federal air quality standards.

Field Operations, Compliance and Enforcement: The proposed funding decrease will impact the Bureau's ability to maintain proper inspections of permitted facilities throughout Illinois, including responding to citizens' complaints, and will impact our ability to review all compliance reporting submittals. As a result, our compliance assurance will likely be impacted by the budget decreases.

Permits: Issuance of state construction and Prevention of Significant Deterioration construction permits may be delayed as a result of budget cuts.

Regional Strategy: In addition, the Bush Administration has proposed significant cuts to the funding for the regional planning organizations. For Illinois, Indiana, Wisconsin, Michigan and Ohio, the regional planning organization is LADCO. Through LADCO, the member states were able to coordinate on the development of agreed modeling and control strategies for the attainment demonstrations for 1-hour ozone, and have been relying on LADCO to coordinate and develop agreed-upon modeling for 8-hour and PM_{2.5}, both of which have a significant regional component. LADCO has been working to develop control strategies to address PM_{2.5} and 8-hour ozone nonattainment in the region. The proposed funding decrease to LADCO will result in either member states increasing state financial contributions, putting an additional burden on the state, or the reduction of services provided by LADCO to the member states, resulting in the states' performing the work and spending resources to coordinate with other states. This likely will be inefficient and potentially ineffective due to state differences in budgets and commitment to air quality issues.

Indiana – Evansville

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

The City of Evansville is in Vanderburgh County, Indiana. The Evansville Environmental Protection Agency (EEPA) is one of six Indiana local air pollution control agencies (Anderson, Gary, Hammond, Indianapolis and Vigo County) that work under contracts with the Indiana Department of Environmental Management (IDEM) and receive Section 103 and Section 105 "pass-through" payments from IDEM.

For 2006, the EEPA expects to receive \$59,140 in Section 105 funds for general air pollution control tasks and \$61,000 in Section 103 funds for PM_{2.5} monitoring work (\$120,140 total). A 16-percent cut would mean we would lose \$9,462 in Section 105 and \$9,760 in Section 103 revenues. IDEM pays EEPA \$5,000 for each PM_{2.5} FRM monitor our agency routinely operates, so it could mean losing two PM_{2.5} monitors in Southwestern Indiana. IDEM would have to make the final decisions, of course.

The State of Indiana has some really serious budget issues which trickle down to the cities. In the last five years, City employees have been relatively lucky and have received a 3-percent annual raise. Compare this to State of Indiana employees – who may not have had a raise in two to three years! However, other than the 3-percent raise and the escalating cost of health insurance, EEPA's budget has been flat or decreased due to cost saving measures. I do not know where to find any more "fat" to cut.

What would be the impacts of the cut on public health and your program?

I hate to even think of the possibility of cutting employees! There are only six of us, including the Secretary/Bookkeeper and myself. If the state's Section 105 funding to EEPA was cut, I would try to compensate by deferring capital purchases (we need a new truck) and replacing computers. Possibly, we could raise Municipal fees, although not to the extent that the fee increase would make up for the funding cuts.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

Inability to perform "real-time" monitoring of PM_{2.5} levels would prevent us from making accurate predictions of PM_{2.5} levels and to announce Air Quality Advisories when high particulate levels are forecast. This would certainly have a negative impact on the health of sensitive groups – active adults and children and people with heart disease and respiratory illnesses.

I support National Ambient Air Quality Standards sufficiently stringent to protect public health. However, this is a case whereby EPA places counties and regions into a nonattainment status and proposes to punish us if we fail to improve air quality by certain deadlines, but in this proposed budget, the administration takes away the tools we need to meet its goals.

We must reduce PM_{2.5} levels to protect public health and to have any hope of regaining attainment status. It is critical that we obtain data and perform research into the precursors, formation and transport of PM_{2.5} if we are to arrive at appropriate, cost-effective PM_{2.5} reduction strategies. We cannot do so without PM_{2.5} monitoring.

Iowa

We are deeply concerned about the impact that the President's FY 2007 proposed budget will have on the State of Iowa's ability to implement the federal Clean Air Act. There are 290 major stationary sources in the state, and over 11,000 minor sources. Our air quality program is

a minimal program compared to many. Yet, we are still able to keep our state in attainment with all National Ambient Air Quality Standards (NAAQS). However, our program, like many others, has for decades struggled to protect public health with decreasing federal resources. The proposed reductions will further exacerbate this situation.

Most of our budget is used for permitting, monitoring, compliance assistance and enforcement. However, we have always used our resources carefully and allotted the remaining resources to assure that if our permitting, monitoring, compliance assistance and enforcement efforts fail, and if violations of the NAAQS are monitored, we are able to quickly resolve those issues to assure public health is protected.

If the proposed reductions were enacted, Iowa would have to eliminate surveillance efforts that have been used to prevent sensitive areas from going into nonattainment. Our system assures that areas with exceedances or recent violations are carefully monitored by real-time monitoring data, meteorological data, enhanced field inspections and the use of enhanced controls on these areas. We would not be able to continue these efforts if funding is cut as proposed. In the past 10 years we have successfully kept six areas from going into nonattainment.

Currently Iowa has 21 fine particulate Federal Reference Method monitors. With the elimination of each monitor due to the shortfall, approximately 140,000 Iowans will be underserved. A 40-percent reduction in monitoring sites would leave 1,130,000 Iowans without adequate monitoring to protect public health.

Our program partners will also be impacted by the proposed reductions. In the past, the state has absorbed any federal reductions for our two local air programs, Linn County Air Quality Division and Polk County Air Quality Division. The proposed reductions penetrate too deeply into our budget to continue to bear the reduction for our partners. If the local air programs are unable to maintain the core program, portions may have to be returned to the DNR. This would be a losing situation for the citizens and businesses in the State of Iowa.

The Iowa Department of Natural Resources (DNR) relies on state general fund and federal grants to fund the air quality “core” program. The DNR has not received an increase in funding in many years. With status quo revenues, increasing costs have eroded the core program. The full effect of these proposed reductions is yet uncertain for Iowa, and conflicting timing of the federal and state budget cycles compounds the situation.

In Iowa, fees currently support 71 percent of the total budget, with only 14 percent coming from state general funds, 10 percent from Clean Air Act (CAA) Section 105 funds, and 6 percent from CAA Section 103 funds. Reducing CAA Section 103 funds by 40 percent and requiring the state to come up with that 40 percent to match the remaining funds that are transferred to CAA Section 105 is a significant burden. Further reducing the federal funding by significantly cutting CAA Section 105 funds on top of that is a drastic reduction in the commitment by the federal government to fund federal Clean Air Act implementation. Our larger industries are already bearing the majority of the cost of our program. Federal support must be kept at a reasonable level if the mandates of the Clean Air Act are to be carried out in full.

Because of the timing of this proposal, we will not have the opportunity to seek matching funds or authority for fees from the Iowa General Assembly until mid-2007. The timing of this proposal also seems patently contrary to the advent of EPA's acknowledgement of the importance of fine particulate with the proposal of significant changes to the PM NAAQS. Rightly so, the proposed changes would increase monitoring costs, but is unsupported at a time when the President's FY 2007 proposed budget reduces ambient monitoring funding.

These reductions would harm those we are trying to protect: the public, sensitive populations, and the environment; and hinder those we are trying to support: businesses and the economy.

Iowa – Linn County

It certainly appears that the current policies being presented by the administration have as a direct goal, the elimination of local programs, or at least the elimination of local program support. This indeed would be a true travesty. Local programs accomplish so much good for their area populations. The return on dollars invested for any program, to public health dollars saved, is always a far greater percentage with local support.

Based on 2006 monies, these purposed cuts would be approximately \$27,000 for our local program. Because of the importance of enforcement to the local and state program, and the public health of our citizens, it would not be my recommendation to cut any of those activities. Instead these cuts, if finalized, should be directed towards decreased monitoring activities. It has always been my belief that we should spend our time and efforts towards reducing pollution, not measuring it. It is acknowledged that monitoring activities are an essential part of any air program, however there are efforts being undertaken currently which we could cut.

Monitoring for Linn County would be limited to one core site, and one monitor each for the standard NAAQS pollutants. This would allow the reduction of one field maintenance person from our staff and additional monies in parts and equipment. This scenario would account for more than the \$27,000 in cuts. However having the capability to withstand such reductions to the existing local effort does not make it a correct strategy for our overall air quality control effort in Iowa. It is certainly not in the best interest of the public health of our citizens to continue decreasing monies where they are the most cost effective and do the most good.

Iowa – Polk County

The President's FY 2007 budget request calls for a 16-percent cut in Section 103/105 grants. Our program already struggles to meet funding needs as a result of reductions in grant funding over the past five years.

Our agency already provides a match for federal dollars that is well above the traditional split of 60 percent from EPA and 40 percent from the local agency. For Section 105 monies during the current 2006 fiscal year, our agency is providing 51 percent while EPA funding is at

49 percent. For Section 105 funding, the President's proposal would require that our local program provide 59 percent and EPA 41 percent of funding simply to maintain the status quo. Maintenance of the status quo assumes no wage or benefits increases and fails to address increasing medical insurance costs of approximately 18 percent for the next fiscal year.

Based on FY 2006 dollars, the 16-percent Section 105 grant reduction will result in a funding cut of \$29,024. A 16-percent reduction in Section 103 funding will result in a funding cut of \$6,400.

The Polk County Air Quality Division generates 100 percent of local funding through construction and operating permit fees. No local property tax dollars are used to support our program. If Polk County is obligated to increase local funding to replace the reduction and to meet our mandated core program, local industry will bear the resulting increase in cost. Local construction and operating permit fees will need to be raised by 25 percent in order to replace the \$35,424 lost as a result of this proposal. The Polk County Board of Supervisors would have to approve this increase. Historically, the Board has been reluctant to add any financial burden to local industry. At this time it is unclear as to whether or not the Board would allow an increase in fees. If fee increases are not approved, staff reduction appears to be the only other option.

The Polk County Air Quality Division currently operates with nine full-time employees. Assuming the Board chooses not to increase the financial burden on local industry, the proposed funding reduction would necessitate a staff lay-off. Polk County is unionized. Our least senior employee is an Ambient Monitoring Specialist. Her current duties are part of our EPA-mandated core monitoring program and include:

- operation of two CO monitoring sites;
- operation of one trace level CO monitoring site;
- operation of one NO_x monitoring site;
- operation of one particulate speciation site;
- cleaning, calibrations, programming, reading, and site repairs; and
- uploading of all generated data into the AIRS system.

Our program currently conducts over 850 field enforcement inspections annually. As a result of this annual compliance determination, sources operating in compliance are issued an annual operating permit for the following calendar year. Sources must make application and pay the appropriate fee on an annual basis to receive said permit. This process is codified in Chapter V of the Polk County Board of Health Rules and Regulations which have been published in the Code of Federal Regulations and are a part of the Iowa State Implementation Plan (SIP).

If staff resources were shifted away from enforcement and permitting in order to conduct monitoring, not only would we fail to meet our obligations under the SIP, without enforcement activities, emission violations would go undetected. The resulting increase in uncontrolled emissions would add increased risk for our population and would result in increased incidences of illness and premature deaths.

The Polk County Air Quality Division currently contracts with the Iowa Department of Natural Resources (DNR) to conduct air pollution control enforcement, permitting, and

monitoring within Polk County. If Polk County Air Quality cannot meet all of the obligations for the core program, our contract with DNR mandates that they withhold funding and further mandates that they can dictate that the program be returned to their control. Several evaluations have shown that Polk County can conduct the core program elements more economically than can the Iowa DNR. Assuming the Iowa DNR conducts the program, additional financial burdens will be placed on Iowa residents due to increased tax burden to support the program.

Kansas

A 16-percent reduction in Section 103/105 grants for Kansas would result in a reduction in funds of approximately \$206,674. The increase in state-match requirements would be approximately \$48,550, for a total adverse impact to the state of approximately \$255,224. This reduction in funding would likely result in a reduction in effort in the following areas:

1. Development of State Implementation Plans
 - Regional Haze
 - Mercury Rule
 - Kansas City Ozone Maintenance Plan
2. Air toxics and criteria pollutant monitoring
3. Grants to local agencies
4. Voluntary programs such as air quality forecasting and smoke management
5. Emissions inventory for criteria and non-criteria pollutants

Kansas – Johnson County

The following addresses the projected impacts of the Administration's proposed 16-percent cut in federal air quality grant funds (Section 103/105 grants) to state and local air pollution control programs. The Johnson County Environmental Department (JCED) enforces state and federal air pollution requirements in Johnson County, Kansas under a contract with the Kansas Department of Health and Environment (KDHE). This contract also supports significant local planning and outreach activities intended to ensure that the larger Kansas City metropolitan region does not violate the federal ozone standard.

Total 2006 costs to administer our air pollution control program are projected to be \$159,000. The program consists of 1.5 FTE, plus administrative and management support staff. KDHE has provided \$70,186 in Section 105 funding to JCED since 2002, which is directed toward the costs of the 1.5 FTE. We receive no Section 103 funds. The costs to administer our local air pollution control program rise 2 to 3 percent each year due primarily to increases in operating costs (e.g., salary and benefit rates). Therefore, we have been losing ground for some time with regard to Section 105 funds.

If Congress approves a 16-percent cut in Section 103/105 funds, it will have a devastating impact on our ability to protect public health from air pollution. The magnitude of the impact will be determined by how KDHE distributes the funding reduction. KDHE has suffered from

the same stagnant federal funding picture as we have. Therefore, their ability to absorb the cut without impacting our local program is limited at best. I see two potential scenarios with associated impacts.

1. If KDHE distributes the 16-percent cut evenly among state and local air pollution control programs, our local program will suffer a reduction in Section 105 funding of \$11,230. A cut this large will necessitate eliminating our half-time staff person responsible for local planning and outreach activities to reduce ozone. We have conservatively documented more than 95 tons of emissions reductions in 2005 that resulted directly from actions taken within county government operations. This position also staffs a Focus Group engaged in expanding ozone reduction activities to local businesses and the public-at-large. These activities would have to be eliminated to accommodate a 16-percent cut in federal funding. This would make it more difficult for the Kansas City region to avoid violations of the ozone standard.
2. If KDHE must cut our local program by more than 16 percent, there will be inadequate resources to support the remaining one FTE and we will be faced with the elimination of our entire program. It is not possible to administer an effective program with less than one FTE. With the elimination of the local program, KDHE would undoubtedly assume some of the work previously performed by our staff. However, state staff would be unable to perform all the work at the same level and public health is likely to suffer as a result. Complaint investigations would be delayed or eliminated; inspections would be curtailed; responses to public inquiries about air pollution issues such as open burning, odors, asbestos, radon and mold would be delayed or eliminated; and the county would lose its capacity to participate in state and regional decisions on air quality issues affecting the health and well being of our citizens.

As you are aware, many state and federal programs have suffered from funding cuts in the past few years. This has occurred at the same time that state and federal governments have transferred the responsibility for many of these programs to the local level. The combination of decreasing funds and increasing expectations has squeezed local budgets, making it unlikely that a funding cut in our air pollution control program could be offset by an increase in local government support.

Kansas – Wichita/Sedgwick County

Our air quality program is a small local air program that provides a number of important services to the community that are all designed to protect public health from the effects of air pollution. Cutting the funding for air quality programs seems counterproductive since most health-effects studies and risk analyses show that air pollution is one of the most significant environmental causes of poor health and early death.

Our program already struggles to meet funding needs as a result of reductions in grant funding over the past years. Our budgets were cut by 7 percent this year from previous funding levels, and prior to that we have had flat budgets for nearly a decade. To put this in perspective, approximately 85 percent of our current budgets go to fund current staff levels. Maintenance of

this status quo assumes no wage or benefits increases and fails to address increasing program costs due to annual inflation. While our budgets have stagnated or shrunk in size over the past decade, our responsibilities and staff workloads have continued to increase.

The proposed 16-percent cut in the President's budget will seriously affect our ability to continue an adequate level of service to our local community. Based on FY 2006 dollars, the 16-percent grant reduction in EPA, Section 105 funding would result in a funding cut of \$14,490. A 16-percent reduction in our EPA, Section 103 funding would result in a funding cut of \$9,334. These proposed further reductions in funding would necessitate laying off one staff member and would hamper our ability to protect the health of our citizens and our ability to protect the local environment. Since we have only four staff members in our local air quality program, we would effectively reduce our capacity to provide services to our citizens by 25 percent if we have to lay off one staff member. Cutting 16 percent from our budget, but causing a 25-percent reduction in services, is not a cost-effective strategy.

A partial list of the local services funded by our federal dollars includes: source inspections; compliance assistance; enforcement of regulations; monitoring of ambient air quality; development and implementation of ozone reduction strategies; response to citizen complaints; response to open burning issues; assistance to the public with indoor air quality problems; observation of emission tests; participation in local, regional and national air quality groups; public outreach and education, etc.

The greater Wichita urban area has been close to violating the new 8-hour ozone standard in recent years. We have developed an Air Quality Improvement Task Force that draws from a broad cross-section of the community. The Task Force is involved with our air quality program in implementing a variety of voluntary ozone reduction strategies. These voluntary measures are especially important in our area since we do not have the control mandates available to nonattainment areas. The activities associated with the ozone reduction efforts are very resource intensive. If our budgets receive a 16-percent cut in federal funds, our discretionary and voluntary measures will be the first workload elements that would have to be cut. And if our efforts here are reduced or eliminated, the area could go into nonattainment for the ozone standard.

A nonattainment designation would have serious public health and economic ramifications for the Wichita four-county metropolitan statistical area. Thus the federal dollars spent on our local air quality program leverage and protect many more dollars in the local economy.

Kansas – Wyandotte County

The Department of Air Quality of the Unified Government of Wyandotte County-Kansas City, Kansas receives federal Section 105/103 funds to sustain our program. The Department of Air Quality (DAQ) is a small local air program that provides a number of important services to the community that are all designed to protect public health from the effects of air pollution.

In Wyandotte County, we use the federal contribution of our budget to support a variety of services including: permitting, inspections, compliance assistance, enforcement of regulations, development and implementation of ozone reduction strategies, monitoring of ambient air quality, response to citizen complaints, dealing with open burning issues, helping the public with indoor air problems, observation of emission tests, participation in local, regional and national air quality groups and committees, public outreach and education, etc.

DAQ has eight and a half full time employees (FTE's) at full staff. A few years ago, full staffing included 10 employees, but level or decreasing funds over the past many years has forced reductions in staff. Almost 40 percent of our budget is provided by federal Section 105 and 103 funds. The Section 105 funds are matched with \$124,799 in local general fund, which puts us right at the 60/40 match requirement. A 16-percent cut in federal Section 105/103 funds amounts to a loss of almost \$45,000 for DAQ. This size cut equates to one FTE. While our staff has continued to shrink in size over the past 10 years, our responsibilities and workload have continued to increase.

The proposed 16-percent cut in the President's budget will have drastic effects in DAQ's ability to continue an adequate level of service to our local community. These effects include, but are not limited to:

- The proposed 16-percent reduction will lead to the loss of one full time employee from already reduced staff levels.
- Our capacity to do inspections, provide compliance assistance, issue timely permits, monitor, respond to complaints, participate in workgroups and committees, implement ozone strategies, etc. will all be reduced by at least 12 percent based on the loss of one staff person.
- The air program's goal is to maintain and improve air quality to protect public health. Any significant reduction in our program will have public health impacts. Performing fewer inspections and a decrease in compliance assistance efforts will result in more non-compliance at air pollution sources and, ultimately, increased emissions from these sources.
- The Kansas City Metropolitan Area has been close to violating the 8-hour ozone standard in recent years. The regional air agencies, with coordination by the metropolitan planning agency, have developed and are now implementing a regional ozone action plan which contains a number of voluntary measures. These voluntary measures are necessary in order to reduce ozone in a maintenance area that does not have the control mandates associated with a nonattainment designation. The activities associated with this plan are very resource intensive for all the agencies involved. If our budgets receive a 16-percent cut in federal funds, our discretionary/voluntary measures will be the first workload elements to be cut. If our efforts here are reduced or eliminated, the area will be likely to go into nonattainment for the ozone standard. A nonattainment status has serious public health and economic ramifications for the Kansas City area.

Kentucky

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

A 16-percent cut in our Air Pollution Control (APC) Section 105 grant prior to any requested hold-back amounts would result in an estimated loss of \$257,662. A 16-percent cut in our Section 103 PM_{2.5} grant would result in an estimated loss of \$100,806. The total loss of funds from both of these grants would result in an estimated loss of \$358,468.

What would be the impacts of the cut on public health and your program?

If the existing 100-percent PM_{2.5} grant funds are rolled into the APC Section 105 grant it would have a direct impact on our ability to provide match funds as required under the maintenance of effort (MOE) provision under the Clean Air Act Section 105 grant. In fiscal year 2002 and in fiscal year 2005 the Division for Air Quality failed to meet its MOE requirement. This resulted in a substantial repayment to EPA. Therefore, if the PM_{2.5} Section 103 grant amount is rolled into the existing APC Section 105 grant, it could result in the state matching an additional \$92,000, and would increase the current required match portion by \$41,794.

In addition, personnel costs and equipment purchases that are currently charged to 100-percent federal funds would have to be absorbed in other areas of our existing state budget. Due to the loss of these 100-percent federal funds, our ability to maintain personnel and order equipment could result in a decrease of air monitoring activities, complaint inspections and the issuance of state-origin permits to regulated industries.

This Administration continues to reduce federal funding and still require the states to maintain the same level of activities to achieve and maintain the Commonwealth's air quality. In the previous fiscal year we purchased equipment to enhance our PM_{2.5} monitoring program and now we will be required to fund operating costs of sampling contracts, repair/replacement parts and supplies associated with the maintenance and operation of our ambient air-monitoring network with existing state funds. In the last five years, our state budget has seen some significant reductions in general funds. Since the majority of our required MOE funds are derived from state general fund dollars it will become increasingly difficult to absorb the amount of federal fund reductions in our current baseline budget and to provide the match amount that Section 105 grant recipients are required to meet.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

Since Kentucky is not the only state that the MOE requirement pertains to we would like to see EPA consider a reduction in the existing MOE requirement and/or cease to base the amount on meeting or exceeding the previous year's MOE amount. Consideration should be given to the fact that states are receiving less federal funds and state funds but are still being required to meet the same match amount that we would when our federal funds were being awarded at a higher amount.

Louisiana

For Louisiana, the federal cuts are being overshadowed by a crisis with our own state budget as result of the Katrina and Rita Storm impacts. We have a hiring freeze in place now, acquisitions and travel has been severely curtailed, and a department-wide layoff is likely by the end of our present fiscal year in June 2006. For the 2007 state budget, which begins in July of 2006, we have proposed a reduction in work force of 80 positions in the department. These are not all air pollution control positions, but eight positions will be cut from our Air Quality Assessment Division. This will affect program areas dealing with SIP development, vehicle Inspection and Maintenance, emission inventory, and most notably the ambient air monitoring effort. We will be bringing some air monitoring sites down.

We also will have no funds appropriated for equipment acquisitions next year. Some positions related to air quality work will be lost in our permitting, inspection, and enforcement Divisions, but we hope to make those cuts less severe. Our legislative session begins next month and even though our budget request has 80 positions cut, it is still uncertain if that will be adequate. It may get worse.

Relative to Sections 103 and 105 funds, we presently receive \$4,277,197 from both grants. Assuming we receive a 16-percent cut amounting to around \$700,000, the department would have to review all air related programs, evaluate impacts, and negotiate service adjustments accordingly with EPA Region VI. It is likely, and the same areas noted above would be cut again. This much money would amount to a cut of 15 employees working specifically in air-related programs, unless we were able to absorb cuts in other environmental programs. This is very difficult to assess at this time, but it is safe to assume that more monitoring stations would be taken out of service, some Title V permits may be delayed and our inspections would need to be curtailed further. Our level of effort intended to protect public health and the environment would be diminished.

It's a double dose of bad news for us.

Maryland

A provision in the President's proposed fiscal year 2007 budget request, if approved, would severely impact Maryland's and many other states' air pollution control programs. The provision at issue is a proposed cut of \$35.1 million in grants to state and local air pollution control agencies under sections 103 and 105 of the Clean Air Act.

The proposed cut of roughly 15 percent would mean a loss of over \$500,000 in federal support for Maryland. This would severely impact ongoing efforts to meet Clean Air Act requirements at a time when those requirements are increasing due to a need to develop and implement plans for achieving two new federal standards in 2010 – fine particulate matter and 8-hour ozone – while we are continuing to manage numerous pollution control programs that were put in place to address achieving the 1-hour ozone standard.

A cut of this magnitude would cause a rollback in efforts, as Maryland does not have the capability to fill the funding gap. Maryland has trimmed its air program budget the past two years, falling just short of making reductions in staff levels. As such, the only recourse at this point, should federal funds be reduced significantly, would be a reduction in staff. Key program areas, such as air quality monitoring and facility permitting, would be adversely affected. Overall, the citizens of Maryland would see a lessening of services in these two program areas and possibly others.

A secondary effect that Maryland could experience involves other states, particularly those west and south of Maryland. Pollution from these states, through the process of long-range pollution transport, has an adverse impact on Maryland's air quality. Significant funding reductions could cause reductions in programs that address sources in those states that emit pollutants that can be transported to Maryland.

Maryland has made great strides in cleaning the air since the modern-day Clean Air Act was passed in 1990, and level funding is important to maintaining this improvement. Help is needed to ensure that we continue to move forward in the effort to combat air pollution. Anything that can be done to restore funding to the program so as to avoid negative impacts to Maryland and its citizens would be greatly appreciated.

Massachusetts

A 16-percent reduction in Massachusetts Department of Environmental Protection's (MassDEP's) Section 105 grant would equal \$793,000, which means that 6.5 Full Time Equivalents (FTEs) would be lost if all 15 percent of the Section 105 cut was absorbed by staffing reductions. A 16-percent reduction in funding happens to equal 16 percent of the staff on that grant as well.

A 16-percent reduction in MassDEP's Section 103 grant would equal \$132,000, which means a reduction of one FTE, and a reduction in operations and maintenance (O and M) funds. More than one-quarter of the Section 103 grant goes for O and M on monitoring stations.

The combined loss represents 7.5 FTEs and some reductions absorbed through O and M for the PM_{2.5} monitoring network.

Options for absorbing these cuts include:

To meet the Section 105 cuts:

- We would cut six FTEs from our air quality planning and implementation efforts.

Specifically:

- We would propose to cut six of the FTEs from our SIP planning and implementation staff. This is our entire air quality planning and implementation staff, and would mean we would default on submitting the 8-hour ozone and regional haze SIPs (due in 2006

and 2007). This leaves EPA to develop and implement a Federal Implementation Plan (FIP) for Massachusetts.

- We would also cut one FTE from our ambient air monitoring staff and implement reductions in our ambient network as described below – This FTE cut is due to Section 103 grant reductions as described below.

These cuts would also mean:

- Elimination of almost all of Section 105 funds currently allocated in the grant for contracting – \$61,000 out of \$75,000 allocated. This would save the addition 0.5 FTE needed to meet the cuts. These funds were to be used to support SIP-planning efforts for regional haze and ozone. But since we are returning those functions to EPA we would no longer use these contract funds.

To meet the Section 103 monitoring cuts:

- Given the high health impacts of PM_{2.5}, some of our currently measured PM_{2.5} concentrations (which are borderline attainment), and the proposed more stringent PM_{2.5} standard, we feel it is important to retain the PM_{2.5} network as much as possible; therefore, we recommended an additional FTE cut under Section 105 to absorb the FTE cut needed in the Section 103 grant.
- Note that the Section 103 PM_{2.5} grant has covered about half the cost of operating the PM_{2.5} network and we have had to rely on state funds.
- The remaining \$10,000 reduction would come from the O and M costs currently charged against this grant. (\$10,000 out of the \$132,000 reduction needed).

Combined impact of this strategy on the ambient air monitoring program:

- A loss of one FTE (of current 21 FTEs) or 5 percent of our current monitoring staff.
- Staff reduction strategy:
 - o Cut one FTE from our staff maintaining the overall ambient network. This means cutting one monitoring field person who services all equipment at each station they visit in Eastern MA. We group our monitors by ozone nonattainment area.
- We intend to maintain as many of our PM_{2.5} monitors as possible, given the health impacts of PM and the proposed new NAAQS with a more stringent 24-hour standard, and our 16 ozone monitors (and PAMS stations) during the ozone season, given our nonattainment status. Since we also receive dedicated federal funds for toxics monitoring that have not been identified for cuts in the federal budget, we would continue our limited air toxics monitoring efforts.
- The remaining network would be reviewed to determine whether specific stations can be shut down or the cuts would be implemented with specific monitor shutdowns but stations remaining open.
- We would hope to make up the \$10,000 cut in O and M from the federal grant with state funds.

Michigan

In order to allow the states (and tribes) to carry out air pollution control programs at the state level, EPA provides grant funds to states, tribes, inter-tribal consortia, territories, and multi-jurisdictional organizations through the State and Tribal Assistance Grants (STAG) program. Over half of the funding for the Air Quality Division (AQD) in the Michigan Department of Environmental Quality (MDEQ) comes from multiple STAG funding sources and their required matching funds. These grants include general program funding under Section 105 of the Clean Air Act, funding for new ambient air monitoring activities related to fine particulates under Section 103 of the Clean Air Act, and funding for specific projects. In fact, all AQD core programs, with the exception of permit development and compliance monitoring at major air pollution sources subject to Title V of the Clean Air Act, are funded in part by the STAG program.

Should EPA reduce their STAG grant monies to the Michigan Department of Environmental Quality by 10 to 15 percent, the likely impact will be a reduction in staff of five to seven positions. There are a number of possible negative consequences that could result. Below are three scenarios that may be necessary with the required staff reductions:

New Source Review Permit Program:

If staff reductions (25 to 33 percent) occur in the Air Quality Division's Permit Section and workload is not reduced proportionally, then New Source Review (NSR) permits will not be processed in a timely manner. This would adversely affect customer service when dealing with permit applicants. This could result in failure to meet the requirements of state rules, that require final action be taken on a "technically complete" application within 60 days (if public notice is not provided) or 120 days (if public notice is provided). More importantly, the delay in NSR permit issuance could have serious negative consequences for the state's economy. Companies that want to construct new or expand existing facilities in Michigan may choose alternate locations if the length of time necessary to obtain a permit is excessively long or unpredictable.

Investigation and Resolution of Citizen Complaints:

The Michigan Air Quality Division staff responds to over 2,000 complaints per year from citizens concerned about air emissions and public health impacts from both major and minor sources. Presently, about 60 percent of these complaints result in compliance investigations at these sources to resolve issues and address citizen concerns. Eighty percent of these investigations are for minor (non-Title V) sources. With the staff reductions of five to seven persons due to federal funding reductions, the investigations of these 1,600 citizen complaints per year for minor sources would not be investigated due to a lack of staff.

Ambient Air Monitoring Program:

The current ambient air monitoring program in Michigan is designed to both detect air quality that may be in excess of acceptable health standards and determine when these nonattainment areas come back into attainment. With funding reductions of 10 to 15 percent,

Michigan would be required to reduce the number of monitors to below the minimum federal requirements. For example, a 10-percent funding cut could result in the necessity to reduce the current PM_{2.5} monitors by 50 percent (from 26 to 13). This would not allow Michigan to adequately detect unhealthy air quality or determine if an area can be re-designated to attainment. EPA could also cite Michigan for not being able to meet minimum monitoring requirements for an acceptable program. This should be considered in light of FY 2006 reductions in monitoring grants that already are resulting in program reductions.

Minnesota

A 16-percent cut in Section 103/105 funding would be about \$455,000 for Minnesota. Since the grant money mostly goes to non-Title V program activities, we would most likely look at reducing efforts in the following areas:

- State Implementation Plan (SIP) development including updating maintenance plans;
- Regional Haze SIP development;
- air toxics monitoring;
- Criteria pollutant monitoring;
- air quality forecasting; and
- emissions inventory for criteria and non-criteria pollutants.

Mississippi

The following is the Mississippi Department of Environmental Quality's best guess at the impacts of a 16-percent cut in Sections 103/105 grants.

16-percent decrease in Section 103 grant:	\$ 57,600
16-percent decrease in Section 105 grant:	\$ 163,063
Total reduction in funds:	\$ 220,663

Results:

- Four PM_{2.5} monitors would need to be dropped from the network. (4 monitors @ \$13,500/year operational cost = \$57,600)
- Reduction of Quality Assurance
- Aging equipment (5+ years) could not be replaced
- Since many PM_{2.5} monitoring sites (Section 103 grant) also have other criteria monitors (Section 105 grant), the total results would likely result in additional monitoring network reductions.
- Reduce staffing by two FTE's.

Missouri

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

\$480,715 – 9 FTEs

\$381,156 in air media personnel service and \$99,560 in associated operating and overhead expenses.

What would be the impacts of the cut on public health and your program?

If federal funding is reduced and sound responsible environmental decisions are not able to be made or oversight conducted, the environment will suffer. This would include damage to animals, crops and visibility and, in turn, citizens of Missouri, especially children, the elderly, and anyone with a respiratory illness, will suffer from a decrease in the quality of air they breathe.

Approximately 79 percent of the reduction would be for air media personnel service. Therefore $\$480,715 * 79\% = \$381,156 / \$42,351$ (average air media salary) = 9 FTE could potentially be lost.

With approximately two less enforcement staff, the number of non-Title V inspections would be limited. This would decrease the number of activities related to open burning permits, complaint investigations, and Concentrated Animal Feeding Operation the state would be able to perform.

A reduction of 1.5 FTEs from the Rules and SIP Unit would result in a 20-percent staff cut if the unit was fully staffed. With the current staff level, the 1.5 FTE reduction would result in a 25-percent staff cut.

With the existing federal requirements and those expected in the near future, many mandatory rules and SIP activities would not meet the federal deadlines. Failing to meet the federal deadlines would likely result in sanctions being imposed against the state, which may ultimately result in federal highway funds being withheld from the state.

Due to the funding loss, many of the functions that this unit currently performs would cease. For example, national committee participation, workgroup participation for MACT and strategic plans, Central States Air Resource Agency Association (CenSARA) meeting participation, participation in the state's Small Business Compliance Advisory Committee, responding to global climate change issues and chloro-fluoro-carbons issues, coordinating inter-program MOUs, fuels supply and pricing issues, etc. Also, there would be a scaled-back participation for inputs to documents, such as the strategic plan and regulatory agenda, CMAQ committee, SIP maintenance of local codes/ordinances, and other various reports.

With approximately 3.5 less permit staff, minor construction permits, the state basic operating permit program and sales-tax exemption requests will be affected. The most notable outcome would be the time it would take for the program to issue minor construction permits. With current staffing levels, our average minor construction permit takes 55 days. With a federal

funding reduction, this time frame could considerably lengthen. Our statutory time frame is 90 days and the program would still have to meet the 90-day requirement. Additionally, basic operating permits would get very little, if any, attention. The reduction could result in the basic operating permits being logged in as a notification and the program having only enough time to review on demand such as a request from enforcement or regional office staff. This staff reduction could also lower the current priority on sales-tax exemptions.

This reduction would cause the Air Quality Analysis Section to lose approximately two FTEs. The reduction of air media staff could force the program to only maintain FRM, continuous, and possibly one speciation sampler in St. Louis. The program would have little ability to more carefully evaluate levels for the proposed Particulate Matter_{2.5} 24-hour standard. The loss of monitoring staff for Section 105 sampling would cause the state to discontinue or reduce the number of NAAQS samplers, or 20 percent of the state's non-PM_{2.5} network.

Some air monitoring funds have already been moved from the Section 103 program, which does not require a match, to the Section 105 programs. This will mean the program will have to scramble to find even more funding in an already tight environment. This reduction could also affect other positions currently funded by Title V dollars.

Due to this reduction, the local agencies could lose Program Specific Distribution funds. This reduction in funding could hamper their air monitoring and pollution control activities. Fewer air permits would be issued, maintenance of the air monitoring networks would decrease, and fewer inspections would be conducted. Also, this reduction in funding would also affect the planning activities conducted by the metropolitan planning organizations.

Approximately 21 percent ($\$99,560/\$3,044,471 = 21$ percent) of the reduction would affect the programs Expense and Equipment budget. This could cause the program problems with buying the necessary supplies to conduct day-to-day business.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

The Department of Homeland Security funding for special purpose monitoring is not included in the dollar reductions shown above. But if this funding is also reduced, the efforts to protect the citizens of Missouri could be hampered. This funding allows for security, protection and the installation and operation of a network of ambient air monitors.

The oversight of the locals through routine audits, constant communication, and review of inspection reports and administrative orders could also lessen, due to fewer staff available to conduct oversight duties.

Missouri – Kansas City

A 16-percent cut in federal Section 105 funds would result in about a \$23,000 cut in the Kansas City local programs budget. This would likely result in the loss of one position in a program of 10 staff. That could be compounded by the fact that local governments may view

this action as a loss of federal support for the program. Given that fact, many local governments may be tempted to reduce their support for air quality programs.

The qualitative impact would be a slower response to complaints, reduced inspections at sources and a delay in issuing permits.

Montana

A 16-percent cut in federal Clean Air Act Section 103/105 grant funds for the Montana Department of Environmental Quality (Department) would translate into a reduction of \$217,414. In addition, converting the remaining Section 103 funds into Section 105 funds would require an additional \$14,557 in state matching funds. If the Department is unable to increase state matching funds by this amount there would be an additional reduction of \$36,393.

The majority of federal Clean Air Act grant funds expended by the Department are for protection of ambient standards, since the permitting program is supported by permit fees. The proposed 16-percent budget cut would severely limit the Department's ability to identify violations of ambient air quality standards before they occur, identify sources of emissions, develop emission control plans, and enforce applicable requirements necessary to attain and maintain compliance with state and federal air quality standards.

SPECIFIC REDUCTIONS

Reduction in Personnel Services and Ambient Particulate Monitoring:

The Department will eliminate one FTE in the air monitoring program and close five carbon monoxide and three PM_{2.5} air quality monitoring sites. The Department anticipates that several areas in Montana will potentially be in violation of the newly proposed PM_{2.5} standards. It will not be possible to monitor additional locations to respond to this concern as the PM_{2.5} standards change. Loss of the ambient air quality monitors and staff to operate, maintain and provide quality assurance for the monitors will reduce the Department's ability to identify Montana communities where the health of the citizens is adversely affected by noncompliance with these standards. Reduction in monitoring staff and equipment will also reduce the Department's ability to use ambient monitoring in complaint response and incident investigation.

Staff reduction would also result in reduced pollution prevention efforts in the transportation sector. Efforts to reduce idling in and around schools, particularly by school busses and to encourage the use of biodiesel and other renewable fuels would be eliminated.

The Department will eliminate 0.25 FTE of legal and enforcement support. Reduction of legal support will limit review of legal adequacy of local air pollution programs and will reduce the Department's ability to provide timely legal review of state implementation plan revisions. Reduction of legal and enforcement support will reduce the Department's ability to respond to enforcement requests related to standards violations.

County Air Program Reductions:

The Department would pass on the 16-percent reduction in funding to local air pollution programs. Montana has seven local air programs. Federal grant funding is used by local programs to assist the Department in developing and implementing control strategies for both nonattainment and attainment areas. Reduced funding for attainment redesignations in areas that have achieved compliance with ambient standards may limit industrial development and expansion.

Reduced federal grant to local air programs will limit the ability of local agencies to notify residents of deteriorating air quality allowing people to take precautionary health measures to protect themselves and help reduce air pollution levels. Local programs also reduce staff time allocated to advocating for school bus idling programs, regulating outdoor burning, addressing paved road dust emissions and performing minor source permitting and compliance.

Reductions in local program funding will further limit the Department's ability to achieve and maintain compliance with state and federal air quality standards and may result in an increase in air pollution. In fact, a reduction in federal grant to local air programs will restrict the Department's ability to address health effects such as asthma attacks and respiratory illness in sensitive subgroups, such as the elderly and those with heart and lung disease, resulting in an increase in emergency room visits, hospital admissions and even premature deaths.

Elimination of Contracted Services:

The Department will reduce contracted services for research and analysis by 90 percent. These contracted services are used to identify and quantify sources of air pollution and perform risk assessment analyses. Without these services the Department will not be able to adequately prepare control plans for nonattainment areas. These contracted services include technical studies to perform chemical mass balance analysis, source apportionment studies, residential woodstove surveys, carbon-14 analysis and health risk assessment for exposure to hazardous air pollutants. These studies may be critical in coming years because the Department anticipates several areas in the state will be nonattainment for the newly proposed PM_{2.5} standards.

The Department will reduce contract services and travel in the Asbestos Program. The reduction would decrease the Department's field presence by lessening the number of inspections conducted by Department staff or third-party inspectors. Fewer inspections will reduce the Department's ability to detect and prevent exposure of humans to asbestos-containing material during demolition and remodeling activities.

Nebraska

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

Section 105 cut would be almost \$125,000, including what we pass through to our local programs.

Section 103 cut would be almost \$19,000 to our agency.

What would be the impacts of the cut on public health and your program?

While I am not certain what we would actually do to resolve the discrepancy, cuts to Section 105 would result in fewer inspections at "state-only" sources. We have had to cut drastically back on our asbestos program the last few years due to reduced funding. We would need to look at refraining from filling vacant positions. Fewer staff would mean slower customer service, and less activity for sources we fund with Section 105 monies.

We have an area in the state that has been borderline nonattainment with the PM₁₀ standards. A year or so ago, we increased our monitoring presence in the area. We would need to examine whether we could continue with our level of monitoring in that area. I would recommend to my superiors that we examine alternative ways to fund our program, such as increasing our construction permit fees, assessing emission fees to non-major sources, and/or assessing an inspection fee.

For the Section 103 cuts, we will have to cut back on PM_{2.5} monitoring even further. We would need to examine cutting back not only in the few rural areas we monitor, but also the urban areas.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

Our air program has about 35 staff. Of this, about 12-13 FTEs are funded with the Section 105 funds. Losing 16 percent would equate to the loss of almost two FTEs. We would have fewer people to "back up" on core activities.

Losing that amount of Section 105 money would make it extremely difficult, if not impossible to keep up with COLA increases, and the increased costs for health insurance, building rent, etc.

Nebraska – Lincoln-Lancaster County

For the Lincoln-Lancaster County Health Department in Lincoln, Nebraska, this would result in a cut of \$19,000. We are already working with a very tight budget and any further cuts would dramatically impact our ability to monitor the ambient air quality in our jurisdiction. In all likelihood, we would have to release one staff person or we would have to reduce the number of days we conduct monitoring for carbon monoxide and particulate matter. Our community is approaching the 300,000 population size and our carbon monoxide and PM_{2.5} numbers have slowly been increasing in recent years. We are nearing the threshold of concern for these pollutants. We need to continue with a robust monitoring program to ensure the public health in our community.

Nevada

The President's proposed budget cuts of the Section 103/105 grants would be significant to the air programs at the Nevada Division of Environmental Protection. Reducing the Section 103/105 grants will most certainly have a negative effect on the ability for Nevada to complete major grant work plan components in future fiscal years.

For our current fiscal year (FY06), Nevada was awarded a Section 105 grant in the amount of \$745,948; however, we have already experienced a 10.43-percent reduction due to rescissions and holdbacks on a portion of those monies and may only receive \$668,157. To further reduce this grant amount by 16 percent (\$106,905) would only give our program an operating budget of \$561,252.

A 16-percent cut to our Section 103 Grant would reduce it from a mere \$15,000 to \$12,600, a cut of \$2,400. It should be noted that we have already been informed by EPA Region 9 representatives that our next fiscal year's award (FY2007) may only be 60 percent of the amount we applied for, resulting in an operating budget of only \$9,000.

Nevada struggles to accomplish what we need to do with the current funding levels. Likewise, we would advocate, at a minimum, to maintain the current level of funding. Keeping the grant funding stable would still result in a net reduction in support. A 16-percent decrease would be truly damaging to Nevada's air quality programs and a real threat to public health to the citizens of Nevada.

Section 105 Grant Effects

The Nevada Air Quality Planning program faces significant challenges in addressing the future impacts of the explosive growth that Nevada is experiencing in all areas of the state. Now is certainly not the time to reduce federal support of the air program. Nevada's air programs are very small and the Section 105 grant is primarily dedicated to personnel costs. Approximately 88 percent of the amount Nevada expects to receive in FY2006 is dedicated to personnel costs. The Section 105 grant supports 60 percent of only 23.5 personnel full-time-equivalents (FTEs); the remaining 40 percent is covered by state fees. Likewise, the President's proposal to cut this program will primarily result in a loss of funding to personnel.

A decrease in the level of planning activities would result in the state possibly being delinquent in meeting federal time lines, such as State Implementation Plan submittals and clean air goals. The Section 105 grant supports Nevada personnel in many aspects of air quality planning and air pollution control, such as planning, air quality data management and evaluation, modeling, permitting, compliance, education and outreach, fugitive dust, woodstove issues and smoke management. All these programs would suffer negative effects from budget cuts

Section 103 Grant Effects

Nevada will have to shut down at least one PM_{2.5} monitoring site if there is a decrease in this grant. It will likely occur in Fernley, Nevada, which is of concern due to both residential and industrial growth in this area.

This statement is made with an assumption of only a 16-percent reduction. In the event that Nevada experiences an actual reduction of 40 percent as indicated by EPA Region 9 for FY2007, the effects on the Section 103 monitoring program would be far more devastating.

Nevada – Washoe County

The President's proposed budget cuts of the Section 103/105 grants would be devastating to the Air Quality Management program of the Washoe County District Health Department. The District's program has been very successful over the last two decades in reducing harmful air pollutants for the citizens of northern Nevada. We have addressed a myriad of sources including motor vehicle fuels, woodstove/fireplace emissions, and dust from wintertime street sanding. We have been proud to have EPA as a partner in our public health mission of clean air for all citizens. However, now is not the time to diminish federal support for environmental efforts, such as the Washoe County air quality program. Although air quality has improved, Washoe County remains designated as a nonattainment area for carbon monoxide and particulates. As home heating and energy prices rise, more people are using wood stoves and fireplaces. Without the continuation of important wood-stove outreach and education programs, the regional air quality could degrade to the unhealthful conditions experienced in the 1970's and 1980's, with frequent violations of the public health standards for air quality. Radon and indoor air quality, fine particulate matter, and diesel emissions are at a critical point with emission reductions being realized all the while the local economy is strong and growing. These are important public health issues and should not be jeopardized with funding reductions.

Without adequate federal funding for air quality programs, public health is threatened.

The Region IX office of the EPA has already informed the District that current FY 2006 Section 105 funds have been reduced 0.5 percent and a possible additional 10 percent will be withheld from disbursement based on funding needs for operations related to Katrina. We are currently negotiating our FY 2006 Section 103 grant for PM_{2.5} activities (the fiscal year for this grant runs April through March). EPA is suggesting a 25-percent reduction of our 103 grant, while increasing funds to a national private contractor for filter analysis by over 33 percent. There is no room for reductions in the local PM_{2.5} program; we are performing the minimum requirements necessary to meet federal mandates. If a more favorable agreement cannot be reached, then financial reductions will have to come from other important air quality activities.

The President's proposal of an additional 16-percent cut to FY 2007 Section 105/103 funds equates to well over a \$100,000 reduction to our relatively small program. The magnitude of this proposed cut would impact virtually every facet of the entire air quality program for Washoe County – a program designed to protect the air resources for a population of nearly 400,000 citizens. If enacted, these cuts would result in immediate reductions in program activities, which would include eliminating several local programs the community relies upon. I believe we also would have to eliminate a minimum of two full time staff positions or 10 percent of the entire air quality staff. A 16-percent reduction would potentially result in the following actions by the Washoe County District Health Department air quality program:

- Eliminate important public education outreach activities directed towards air toxics such as radon, diesel emissions, and asbestos.
- Cease support of alternative fuels programs such as Clean Cities, and local efforts, such as small business assistance to promote energy efficiencies and reduce waste.
- Reduce or eliminate all non-mandated programs currently implemented, such as environmental student intern programs, climate change work, haze/fine particulate and indoor air quality issues.
- Reduction of workforce, initially eliminating 10 percent of the current staff.
- Reduced inspection/compliance activities increasing the potential release of harmful emissions and exposing citizens to unhealthy air toxics.
- Increased permit processing times as staff are redirected to cover other obligations from staff reductions. The delayed processing will result in increased costs to businesses.
- Decrease in the level of planning activities, again to assign staff to cover other obligations. The reduction would result in the county possibly being delinquent in meeting federal time lines and clean air goals.

Any additional reductions in financial support beyond the proposed cuts would result in the significant elimination of an air quality program for northern Nevada. Transferring this burden to local resources is unrealistic. Local government funding and permit revenues are already supporting over 70 percent of the program. The local community has stepped up and is meeting its obligation to clean air and public health; it is critical the federal government keep its commitment to these important goals.

Although we struggle to accomplish what we need to do with the current funding levels, we would advocate, at a minimum, to maintain the current level of funding. Keeping the grants stable would still result in a net reduction in real support with the dramatic increases over the past few years of personnel costs (insurance, retirement, health care). A 16-percent decrease would be truly damaging to the Washoe County air quality program and a real threat to public health to the citizens of Washoe County.

New Hampshire

The following discussion provides New Hampshire's perspective on FY 2007 federal funding. Because New Hampshire is a Performance Partnership state, we can only provide informed estimates of the impact of cuts based on EPA's "targets" for the Section 105 grant. As a general statement, New Hampshire has worked in recent years to take measures to address growing costs in the face of reduced federal funding for air programs, including reduction/consolidation of air monitoring activities, reassignment of certain positions to other funding sources, and use of carry-over funds from past grant awards to help balance budgets.

The cumulative effect is that there is less and less flexibility available to address changes in federal funding. These cuts would force state environmental agencies to make difficult decisions relative to services for which they will continue to allocate resources.

Fiscal Impact of 16-Percent Cuts to Section 103/105 Federal Funds

For the Section 103 grant, a 16-percent cut would result in a reduction of approximately \$44,500 for New Hampshire. However, an important point is that a significant portion of the grant to the state (approximately \$95,000) is redirected off the top to others for quality assurance on the PM_{2.5} network, support for the IMPROVE Class I site in northern New Hampshire, and for analysis of samples. Those costs probably will not go down in FY 2007, so the cuts will have to be borne in other areas of the budget. New Hampshire has two positions that are funded with Section 103 monies and those costs are not expected to go down, so the cuts are most likely to impact availability of funds for new/replacement equipment, maintenance, travel, and expenses (operating budget).

For the Section 105 grant, a 16-percent cut would result in a reduction of approximately \$230,000 for New Hampshire. Section 105 grant supports air monitoring (very expensive program to operate and maintain – preventative maintenance and reasonable equipment replacement schedules), response to SIP requirements (ROP plans, attainment demonstrations including technical support, Periodic Emissions Inventories, etc.), mobile source programs, issues related to global climate change, and many other activities that fall under the guise of policy planning. In addition, there are administrative costs for management and support staff associated with any group. Again, most agencies would strive to maintain as many positions as possible because the Section 105 monies are supporting programs where human resources are the most valuable commodity (no pass-through grants, etc.).

Potential Impacts

New Hampshire has already tapped out much of its flexibility for absorbing cuts in federal funding, so the agency would realistically be looking at the elimination of two to four positions and a further tightening of the operation/maintenance/equipment replacement budget and the air monitoring program. Straight position cuts mean reductions in certain programs and/or services. However, because of the personnel rules most of us operate under, cutting certain positions does not necessarily mean we will end up with the same qualified people for the program (seniority, bumping rights, etc.). This is one example of how the undertow of cuts is hard to measure but can have a significant impact on a state's ability to maintain desired services.

New Hampshire relies mostly on Title V and state permit fee funds for permitting, compliance and enforcement, so cuts in Section 105 funding are not expected to impact those activities. However, most mobile-source related programs, including alternative fuel vehicle programs, anti-idling and diesel vehicle initiatives, and climate change efforts may be subject to cuts that will either eliminate or dramatically reduce effectiveness. In addition, there is no question that air monitoring programs will struggle to maintain what currently exists and progress would be stymied for the foreseeable future.

Another potential impact is that of states finding their relationships with EPA strained over decisions involving cuts to programs and activities that have been “committed to” under work plans submitted as part of the Section 105 grant application. An example would be the negotiation of air monitoring network modifications. EPA has to approve modifications to the network and may place different emphasis on logistical challenges and overall network

efficiencies (i.e., proximity of sites to one another, costs associated with the ideal site versus the more manageable site, and consolidation). Also, the transition from filter-based PM monitoring to continuous may be tenuous as EPA prefers to have co-located units in the case of new technologies to verify accuracy. States will have to make decisions on where to cut and if EPA does not agree, some uncomfortable “no-win” situations may evolve.

The effects to public health would likely be related to a reduction of options/flexibility to fund positions that help protect public health, reductions in air monitoring coverage that help provide the technical support for air quality warnings and research, and reductions in the budget to maintain the existing network (replacement and preventative maintenance schedules get stretched thin).

Summary

The level of cuts in federal air funds currently proposed puts tremendous pressure on environmental agencies to balance the impact of these cuts with other media (water, waste), particularly in the case of Performance Partnership states such as New Hampshire. It would undoubtedly result in the mid-course elimination of two to four positions and reductions in equipment and operating budgets. States will have to choose between reductions in service for existing programs and total elimination of certain initiatives. Some level of modifications to Section 105 grant work plans will have to be accepted by EPA and this could also put pressure on all parties involved to negotiate a resolution. A reduction in staff will also likely impact a state’s ability to prepare broad scope SIP revision, redesignation requests and attainment demonstrations. Downwind states stand to lose their resources for addressing pollution transport. In short, a 16-percent cut in federal air program funding will negatively impact air quality and the ability to protect public health.

New Jersey

Impact of a combined 16-percent cut in Section 103 and 105 funds

This would be about a \$1 million total cut in Section 103 and 105 funds.

The impact would primarily be felt in the development of our clean air plans, referred to as State Implementation Plans (SIPs), and air quality monitoring, especially for particulates.

- This is a really bad time to cut back on funding for planning because of the three major SIPs due in 2007 and 2008 for ozone, fine particulates and haze. These plans will require \$100's of millions, probably billions of dollars, in air pollution control efforts just in our state. Identifying the most effective and most cost-effective measures is important for both public health and the economy. A million dollars lost for planning could easily result in \$10s of millions in avoidable public health costs and economic costs, because of late, less effective and less cost-effective plans. It is the equivalent of building a bridge with incomplete architectural plans. Money will be wasted, lives will be lost.
- Cutting back on air monitoring for particulates is also problematic because of the need to continue to monitor in the 13 out of 21 counties that are nonattainment for the health

standard and the need to do new particulate monitoring for the new standards that EPA is developing for both fine and coarse particulates. We estimate that over 1,000 persons die each year in our state because of particulate levels above the current air quality standard.

- Enforcement of major, non-major and area source compliance evaluations would decline, disproportionately affecting persons in urban areas and near sources of air toxics. There would be also a decline in the response to citizen complaints related to the enjoyment of life and property issues. The proposed cuts could impact not only the actual on-site evaluations of a facility but the inputting of compliance and enforcement data into the federal database affecting decisions on targeting of federal/regional and state enforcement priorities.

This cut would be on top of cuts to address level funding for many years and expected cuts to the state budget in FY 2007.

Impact of Proposed Cuts in Air Program Grant Funding on the Air Monitoring Program

The impact of the cuts on New Jersey's air monitoring program depends to some extent on how EPA handles the shifting of the fine particle monitoring grant funds. Assuming that EPA would not allow the 40-percent cut in these grants to be spread over other activities, we estimate air monitoring would have to eliminate approximately six FTE's to absorb all of the cuts. This represents about a 30-percent staffing reduction. The loss of that many positions would result in a significant cut back in our monitoring effort.

- Fine Particles – We currently operate approximately 20 fine particle sampling sites used for determining compliance with the National Ambient Air Quality Standard (NAAQS) for fine particles. In addition, we operate six continuous fine particle monitoring sites for the purpose of reporting levels to the public, and four sites where we collect multiple fine particle samples that are analyzed to determine the composition of the particles. This information is used to determine where the particles are coming from. At a minimum the proposed cuts would result in closing 10 of the NAAQS sampling sites, three of the continuous monitoring sites, and three of the particle composition sites. At present 13 of the state's 20 counties are designated as nonattainment areas for the fine particle standard. That is based on the existing standards. EPA has proposed a significant tightening of the standards that would dramatically increase the need for monitoring. Much more of the state would be out of compliance with the new standards, and the focus would shift from looking at longer-term exposures to shorter-term exposures. Evaluating shorter exposure limits requires more frequent sampling and more continuous monitoring. The reductions would severely limit our ability to provide an effective public health notification system, and to develop effective control strategies.
- Ozone – In addition to the reductions in the fine particle monitoring program, additional monitoring reductions would have to be implemented to absorb the reductions in the Section 105 grants. A likely impact of that would be reducing monitoring for ozone precursors. It is the most resource intensive of the monitoring programs we run (outside of fine particles). We currently operate three sites and that would have to be reduced to one site. The ozone precursor data has been collected for use in developing ozone control strategies and evaluating their effectiveness. We would be making these cuts at a very inopportune time, as the state is actively attempting to develop control strategies to meet

the revised NAAQS for ozone. While we would have some discretion in where we make program reductions to address the reductions in the Section 105 grants, the reductions to the fine particle monitoring are much more specific, and we would not have any choice but to make the reductions in that program that are at least similar in scope to those outlined above.

Other Air Programs Impacts

- Preconstruction Permits for non-major sources – three to four staff, up to about 9 percent of the non-major facility permitting staff, would likely be cut. This would affect permitting for non-major sources, and would slow down permit issuance unless the state adopts fee increases to fund these staff. Loss of three to four staff would result the backlog of late pending applications increasing at a rate of 180 average projects per year and 75 complex projects per year.
- Air Quality Planning - two staff, about 11 percent of the planning staff, would be cut at a time when three major plans are being developed to address ozone, fine particles and haze. The result would be later, less effective and more costly plans. This would cause avoidable delays in attaining health and welfare standards and would likely result in more cost for the regulated community as well.
- Motor Vehicle Inspection and Maintenance (I&M) - two to three staff, up to about 13 percent of the I&M staff, would likely be cut, resulting in reduction or elimination of important functions of the NJ I&M program which ensures that autos achieve emission standards. Since NJ has a high vehicle population, this could have significant adverse effects on NJ air quality.

New Mexico

The following is a summary of the impact of the 2007 federal budget proposal on the New Mexico Air Quality Bureau:

The key elements of the federal proposal related to federal air quality grants are:

1. Funding for particulate monitoring (Section 103) is cut by 40 percent and the remaining funding will require a state match of 40 percent;
2. Funding for air quality programs (Section 105) is cut by 16 percent;
3. Funding to regional planning organizations is cut by \$2.5 million.

Eighty percent of the AQB budget is dedicated to paying salary and benefits of our staff, so federal funding cuts will affect our ability to support our current level of staffing and provide service to the state.

The administration's proposed cuts to our monitoring program (\$77,000) would cause the loss of one FTE in the Bureau. The monitoring required under federal grants is labor intensive and monitors are located throughout the state. This proposed cut would eliminate our ability to conduct special studies to analyze community and local air quality issues; our monitoring staff would be required to focus only on the requirements for the national particulate monitoring

network in order to accommodate the impacts of the reduced amount of federal funding. The new requirement for state match for these monitoring funds would be pulled from the match required for other federal funds as the federal portion of these funds is also declining, so additional state funds for match are not required under the proposed federal budget.

The proposed cuts to our air quality programs will amount to a loss of \$167,200 in federal air quality funding. With the cuts to federal funding our requirement for matching state funds is reduced; however, we must not reduce the amount of match due to federal maintenance-of-effort requirements. The match not required for these air quality funds can be used for the particulate monitoring state match that is now required. This loss of funding would result in the loss of two additional FTEs within the air program, which would mean a reduction or elimination of effort on several of our initiatives not specifically required by the federal government to receive our grant money, reduction in ability to respond to citizen complaints about air quality, and reduction in state enforcement efforts against facilities that violate state and federal air quality standards. The result is a significant loss in state services to protect the environment and to address air quality issues specific to New Mexico.

Finally, the cut to regional planning organizations will affect Air Quality Bureau workload significantly. New Mexico participates actively in the Western Regional Air Partnership (WRAP) and depends heavily upon work products from the WRAP to complete our state implementation plans for the federal regional haze rule. The WRAP work products provide the scientific and policy basis for regulation development. The funding to the WRAP supports work that no state in the nation has the funding or staff expertise to complete. Without adequate assistance from WRAP, the state will be unable to complete federal requirements for regional haze and will face federal sanctions (i.e., federal oversight, loss of highway funding) that apply when federal rules are not integrated into state air quality plans.

Although the Bureau receives substantial funding from air quality permitting fees, some of the work completed by the Bureau cannot be legally supported by this fee funding due to federal and statutory constraints on the expenditure of the fee funds. The proposed federal budget will result in the loss of a total of three FTEs in the Bureau. There is no apparent way to reduce the impact of the proposed federal budget cuts on the ability of the Bureau to provide service to the state of New Mexico.

New York

Fiscal Impacts of President's Proposed Federal Budget for 2007

Administration proposes to reduce funding for state and local air programs by about \$35 million for the federal year beginning October 1, 2007.

Under the President's proposed budget, New York would have to reduce the number of filled positions on the Section 105 grant by four; and the Section 103 grant by three (assumes fringe benefit and indirect costs remain static, and rescission for 2006 is not implemented)

STAPPA/ALAPCO estimates that over the past decade, state and local air program grants have not kept up with inflation, resulting in a practical decrease of almost 25 percent to these programs.

The President's proposed budget reductions for 2007 could be on top of a potential Congressional rescission proposed as part of the Hurricane Katrina and other national priorities programs for this federal fiscal year 2006.

If the rescission goes through, it would reduce funding for the Clean Air Act's Section 105 & 103 programs from previously anticipated levels. No further word from EPA on this. In EPA Region 2's early estimates (Mugdan to Johnson letter, dated 12/7/05), New York could receive only 90 percent of its funding this federal year (2006). That means a potential loss of over \$800,000 this year if the rescission is enacted.

A 15-percent reduction in federal year 2007, as proposed by the President, to New York's air pollution grant coupled with the federal plan to shift the fine particulate monitoring program into the Section 105 grant, necessitating state match and baseline requirements, could result in a decrease of more than \$1.1 million from present funding levels excluding any rescissions that could be applied to funding in the current federal 2006 year.

A worse-case scenario would be passage of the Congressional rescission this federal fiscal year and implementation of the 15-percent reduction on top of that in the following year: a total loss of almost \$2 million to New York.

New York's grant program provides funding for core air pollution programs: mobile source control, ambient air quality monitoring including fine particulates as well as the other Criteria pollutants, compliance and enforcement; complaint investigations, inspections, and state implementation activities.

New York is facing a shortage of almost \$7 million (Clean Air Fund financial report, dated 2/27/06) in its "self-supporting" Title V operating permit program, and consequently would have difficulty absorbing a loss of funding in its federal air grant programs.

Summary of Filled Positions (2/22/06)

General Fund: 19

Federal Air Grant (Section 105: 52; Section 103: 9) 61

Mobile Source Account: 78

Operating Permit Program Account: 105

Utility Environmental Regulatory Account: 12

Federal Fiscal Year Funding 2006

Section 105 Grant: No Rescission \$6,941,840

Section 103 Grant: No Rescission \$1,347,847

Federal Fiscal Year Funding 2007 (Proposed President's Budget)

Section 105 Grant: No Rescission \$5,900,564

Section 103 Grant: No Rescission \$782,895

North Carolina

Looking at the information that has been provided, the cuts in the agencies' Section 103 and 105 grants will be different. The North Carolina Division of Air Quality (NCDAQ) currently receives approximately \$1,200,000 in Section 103 funding. Of this amount, \$750,000 comes to NCDAQ and \$450,000 is provided as in-kind contributions. We have been told that this program will be cut by approximately 42 percent. That being the case, we will receive approximately \$816,000 in Section 103 funding.

NCDAQ currently receives approximately \$1,900,000 in Section 105 funding. There are no in-kind funds associated with the Section 105 funds. However, a 40-percent match is required in addition to the "Maintenance of Effort" (MOE) requirement. The Section 105 funds will be cut by 16 percent. NCDAQ expects to receive approximately \$1,596,000.

Listed below is a recap of current and expected future funding for NCDAQ:

	Current	Anticipated
Section 103	\$1,200,000	\$ 816,000
Section 105	\$1,900,000	\$1,596,000
Total	\$3,100,000	\$2,412,000

According to our calculations, NCDAQ anticipates a cut of approximately 22 percent overall. Considering the fact that in-kind is included in the funds listed above, the cuts in funds provided to NCDAQ will be greater than 22 percent and can run as high as 40 percent.

Looking at the anticipated cuts, NCDAQ will decrease the number of PM monitors in the North Carolina network and will have to cut the number of samples taken by the remaining monitors. There will be no funds for the purchase of new equipment. NCDAQ will only be able to maintain existing equipment. The amount of monitoring coverage will be reduced in direct proportion to the number of monitors that we would have to cut.

The EPA plan to consolidate the Section 103 and 105 funding will, as stated above, reduce NCDAQ funding by a minimum of 22 percent. Funds will be awarded as Section 105 funding. Thus EPA's consolidation puts the state in a more volatile position relative to meeting the MOE.

North Carolina – Forsyth County

The impact of the proposed cuts on the Forsyth County Environmental Affairs Department would be significant and are as follows:

A 16-percent cut in Section 103/105 grants to Forsyth County would be approximately \$60,000.

The impact on public health and our program would be profound and would result in a degradation of air quality in the Piedmont Triad area of North Carolina. The loss of these funds would require the termination of at least one staff member. The reduction in staff would result in a variety of service reductions. The most likely result would be a reduction in air quality monitoring activities. Since Section 103 monies would be cut, a substantial reduction or elimination of our PM_{2.5} monitoring network would be necessitated. This is profound since counties in our area are either nonattainment or very close to nonattainment for PM_{2.5}. Loss of this data would make it much more difficult to manage this problem. This data is also being used in a national health study (MESA) which is designed to quantify the relationship between PM_{2.5} and cardiovascular problems. If air quality monitoring continues at its current level, then the reductions would have to come in the enforcement and permitting activities. This would result in less enforcement and delays in issuing permits. The delays in permit issuance would result in an increased cost of doing business by the regulated community. The proposed cuts could also affect our ability to collect and process emissions inventory data needed for submittal to the EPA. Whatever course is taken would be painful and significantly negative for our community.

These cuts would come at a particularly bad time for the Forsyth County Environmental Affairs Department. We have just gone through a reduction in permit fees, which has resulted in a loss of over \$350,000 in revenues and five staff members. The reduction in Title V emissions has also had a negative effect on revenues. I do not think that Forsyth County will make up the difference if federal funds are cut. The only outcome would be a reduction in service and a negative impact on air quality. While we will make every effort to continue our air program at its highest level, the federal government must understand that there is a limit to what can be done if there is a continuing reduction in federal funds.

North Carolina – Mecklenburg County

If adopted as proposed, the President's FY 2007 budget request seeking a 16-percent cut (\$35 million) in Section 103/105 grants would have a significant negative impact on the Mecklenburg County Air Quality (MCAQ) program. As a local program MCAQ already has limited revenue from a small pool of sources and limited opportunities to access or create new revenue streams. The program is supported solely by an already high fee structure for local business, state gasoline tax and the CAA grant(s).

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

USEPA Region IV estimates that MCAQ would lose in CAA grant revenue totaling: \$89,000 (CAA Section 105: \$39,000, CAA Section 103: \$50,000).

What would be the impacts of the cut on MCAQ's program?

Loss of \$89,000 would result in the elimination of one full time position plus training and operational dollars.

Loss of one full time position would result in one of the following possibilities:

- 50 fewer annual source inspections and associated enforcement actions;
- 30 day delays in permit processing for local industry;
- seven air pollution monitors permanently shut down affecting 3 sites;
- reduced access to services required to operate for the regulated community;
- reduced response time to complaints and requests for service; and
- inability to provide timely public information.

MCAQ requests that Congress reinstate CAA Section 103 and 105 grant funds to FY 2006 levels.

North Carolina – Western North Carolina

We would like to express our concerns with the administration's proposed Fiscal Year 2007 state and local assistance grant budget cuts of \$35 million for air programs. The current proposal will cost the Western North Carolina Regional Air Quality Agency (WNCRAQA) \$30,000 a year from our base air grants. The proposed cuts would result in a loss of jobs and services. Our main purpose is to protect the health of our citizens, which has become more and more of a struggle with the continually shrinking budgets and rising costs of running our program. We have continued to cut all but the essentials from our budget and to do more with less, but there is only so much we can do to that end. The timing of the cuts is particularly bad for us as we are facing a significant reduction in Title V fees within two years. A 16-percent reduction in the Sections 103 and 105 grants (\$30,000 per year) could reduce our nine-person staff to eight. We employed eleven last year. In addition to a reduction in services, we are concerned that our monitoring and enforcement programs will suffer.

Without the continued financial support, the health of our community will suffer.

North Dakota

As a one-half of 1 percent state, a \$35,000,000 cut in the federal Section 105 grant would reduce our grant by \$175,000. I have not looked in detail as to what the cost would be to our program to move the Section 103 funds into the Section 105, obviously that would impact us as well. I do not believe we would be looking at layoffs but would obviously prioritize projects. We would also look at increasing permit fees.

Ohio

There are several issues associated with this cut. First, for Ohio EPA's division of Air Pollution Control (EPA/DAPC), we will lose approximately \$450,000. This will mean that we will need to reduce staff by 4.5 people – at a time when the workload is going up, not down. This does not include the effect of the reductions to the local air agencies in Ohio (both direct funded

[Hamilton County and Regional Air Pollution Control Authority] and pass-through [Akron, Toledo, etc.]). The program areas that will be most directly impacted by this cut will include toxics monitoring and enforcement.

Secondly, the incorporation of the 40-percent match for the Section 103 monies being incorporated into Section 105 funds will affect some agencies. I think that Ohio EPA/DAPC will be able to make the 40-percent match, but I cannot be sure if our local air agencies will be able to make this match.

Thirdly, we have been told that one of the reasons for the cut is that the grant program as been rated "ineffective" by OMB. When looking at the background documents, some of the biggest complaints about the program are about the Title V program (which is not funded by the grant) and the New Source Review program. And whose complicated rules must state/locals follow? Of course, US EPA's rules. In effect, the states and locals are having money taken away because of US EPA's regulations are hard and difficult to apply.

Ohio – Cleveland

This proposed cut would amount to an estimated \$172,000 reduction in the Cleveland Local Air Agency's budget. As no reduction in equipment, maintenance or required contract service is possible, and 80 percent of this agency's budget is for salaries and benefits, this level of reduction would necessitate a 3.5 FTE reduction of staff. This reduction would severely hamper this agency's ability to process permits in a timely fashion, adding to the already existing backlog, and would reduce this agency's ability to conduct required compliance inspections and response to complaints.

Irreparable damage to compliance will surely result with accompanied deleterious effect in air quality for Northeast Ohio, a region already struggling to meet attainment for NAAQS. As such, this will further exacerbate the health effects resulting from increased pollution. The effort to reduce funding is being contemplated at a time when serious consideration should be given to increased support to state and local air agencies for further air pollution reduction.

The proposed reduction in needed federal grant funding should be carefully scrutinized, and found to be counter productive to the goals of the Clean Air Act. The Cleveland Division of Air Quality supports any and all efforts of STAPPA/ALAPCO to bring sound funding judgment to the process that appropriately reflects environmentally sound reasoning, the goals of the Clean Air Act, and the critical issues of public health in upcoming budget discussions.

Ohio – Hamilton County

Since 81 percent of our current Section 105 dollars support personnel costs, we could be forced to not fill any positions that become vacant. We currently have three vacant positions. The redirection of Section 103 grant dollars (no local matching dollars required) to Section 105 dollars will give us problems because of the added 20-percent local match. As far as direct programs impacted, only our 24-hour complaint program (the public's favorite program) and

travel and training dollars, which are not required by contract, could be reduced or eliminated. We believe that all contract requirements, both the state and federal, will remain. Hopefully they will not increase. It all comes down to the old adage, "less dollars for the same amount of work".

Ohio – Mahoning-Trumbull

The Mahoning-Trumbull Air Pollution Control Agency (MTAPCA) is a small, local air agency located in Northeast Ohio with six full-time employees. As a partial role agency, MTAPCA operates a two-county air monitoring network consisting of 18 monitors at eight sites; responds to and investigates air pollution complaints; grants and denies permission to open burn; inspects facilities; receives notifications and inspects asbestos NESHAP regulated demolition/renovation projects; and conducts a vehicle anti-tampering program.

A 16-percent reduction in federal funding would reduce our operating budget by \$35,900 and result in the layoff of one full-time employee. Reducing staff would decrease the number and frequency of inspections by 30 percent. Our complaint response time would double. Our ability to perform visible emission observations and conduct surveillance activities for Ohio EPA in Mahoning and Trumbull Counties would be severely curtailed. Finally, it would be necessary to reduce our air monitoring data quality assurance/quality control efforts.

A reduction in Federal funding of this magnitude would be devastating to state and local programs.

Ohio – Regional Air Pollution Control Authority

The proposed cut to the Regional Air Pollution Control Authority's (located in Dayton, Ohio) federal funding would result in a \$106,000 funding loss (out of a \$2.4 million budget). This would mean the reduction in two staff persons to our program (out of 30 total).

We would conduct 150 fewer inspections, permit review and complaint response would be slowed, and one of our PM_{2.5} monitoring sites would be shut down.

Ohio – Toledo

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

- Section 105 - \$224,908 The cut would be \$35,985.
- Section 103 - \$ 69,889 The cut would be \$11,182.
- The total cut would be \$47,167

What would be the impacts of the cut on public health and your program?

Since the vast majority of the budget is personnel-related, the result would be eliminating personnel. We would eliminate one person from our office. This would result in the following:

- Permits - New Source Review permits will be delayed by three weeks and permits involving netting will be delayed one week. The reduction will eliminate permitting overtime that is used to expedite permits that have major economic impact to the local area.
- Monitoring - We would reduce sample frequency as much as possible. We would also reduce spare-part inventory, which would potentially cause data gaps if there were any equipment malfunctions.
- Enforcement – Cases are currently backlogged over a year. Any reduction in personnel would result in a backlog increase of additional months. Enforcement delays weaken the entire program.
- Complaint Response - Currently we respond 24 hours a day seven days a week. Some complaints that occur after business hours may have to be responded to the next business day. For complaints involving odors, once the odor is gone the complaint cannot be properly investigated.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

Educational Outreach - With the rule development for ozone and fine particulate, we are increasing our outreach program to educate the public. This program is essential to gain grassroots support for all the new programs for ozone and fine particulate. This program would be severely reduced or eliminated because it is not mandated.

Oklahoma

Our FY 2006 projected allocation is \$1,200,068. This amount reflects a 10-percent holdback by EPA headquarters equaling \$133,340. At this point in time we are not sure if any of this 10-percent holdback will be awarded. We have heard from Region 6 that they expect the actual holdback to be less, maybe as little as 1 percent. Not knowing the actual allocation makes it harder to estimate how a 16-percent reduction for FY 2007 will affect us. The delay in having this information also makes it difficult to plan for expenditures in this current fiscal year. Our fiscal year ends June 30 and it is not uncommon for our final Section 105 award to arrive very close to this date.

Estimates for this exercise are based on the known Section 105 FY 2006 allocation of \$1,200,068.

Another unknown is how EPA will handle rolling the PM_{2.5} program into Section 105. Our current PM_{2.5} grant expires September 30, 2006. Our total award was \$484,695, of which \$160,393 was set aside for TAP/EPA in-kind with \$324,302 actually coming to the state. It is unclear how the 40-percent match will apply. Will the TAP/EPA in-kind funds now come to the

state or will EPA continue to retain this money for national contracts? EPA Region 6 is not sure how it will be handled. Suddenly moving the PM_{2.5} program into Section 105 has made budget planning difficult. We have begun planning for our FY 2007 budget which must be approved by June 30. For states whose legislature meets every other year and/or have two-year budget cycles this would be even more problematic. A phased approach would have made this a little less burdensome.

Estimates for this exercise are based on the current PM_{2.5} amount awarded to the state – \$324,302.

A 16-percent cut to the sum of our Section 105 and PM_{2.5} programs would be \$243,899.

This amount of funding represents approximately five full-time positions. If we had to cut these positions in Compliance and Enforcement, it could result in a reduction in the number of FCEs completed. We estimate 150 less inspections could be completed. This is a critical area to reduce services with the resulting increased emissions potentially affecting the citizens of the state with poorer air quality, increased health concerns and possibly redesignation to nonattainment. If positions were cut in permitting, it would result in permits being delayed and could affect new business and the state's economy. Neither of these are an option.

Of particular concern is the PM_{2.5} monitoring program. With the funding cuts we received in our current grant, the grant was insufficient to fund the program. We had to cut \$52,000 from the contractual category that was required for filter analysis and find another source of funding within the agency to continue this needed sample analysis. We did not plan to purchase some of the supplies and equipment needed for the program during the current grant in the hopes that funding would be restored in future years. Rolling the PM_{2.5} grant into Section 105 and the proposed 16-percent cut overall will only compound these problems, make it more difficult to continue to operate the PM_{2.5} network in the appropriate manner and most likely result in shutting down sites.

I calculated three different scenarios with the best case detailed above. Other options would certainly have a much greater effect on our program and are described below. Each FTE for an environmental programs specialist runs about \$50,000 with engineers estimated at \$65,000. As the funding cuts increase, so do the cuts in either positions or equipment and supplies necessary to run the air program.

If the 16 percent is calculated on our current known allocation of \$1,200,068 and the full amount of the current PM_{2.5} grant, including the TAP/EPA in-kind amount of \$484,695, the cut to our combined federal grant would be \$269,562.

The absolute worst case would be calculated based on the higher FY 2006 allocation, assuming we receive additional money currently being held as a part of the 10-percent hold back. Assuming EPA awarded all but 1 percent of the holdback, as mentioned as a possibility by Region 6, our FY 2006 allocation would increase to \$1,320,066. Calculating the 16 percent with this higher Section 105 amount, plus the full amount of the PM_{2.5} grant of \$484,695, the cut to our combined federal grant would be \$288,762. It seems a little strange to refer to this as a "worst" case when it results in us receiving additional Section 105 funds for the current year, but it would result in the largest amount to be cut for FY 2007.

An alternative would be to consider a 16-percent cut to our current known Section 105 allocation plus a 40-percent cut to our PM_{2.5} grant since this would reflect the match amount. Again we are faced with the unknown of which amount to use for each of these grants when making the calculation. If we calculate based on the total PM_{2.5} grant, our 40-percent match would be \$193,878 plus a 16-percent cut to our current known Section 105 allocation of \$192,020 for a total cut of \$385,888. Calculating the 40-percent match based on the state share of the PM_{2.5} grant, plus a 16-percent cut to the current known Section 105 allocation, the total cut for FY 2007 would be \$321,770. Obviously, this alternative approach would hit us much harder.

The common item in all of these scenarios is the unknown. With potential cuts ranging from \$243,899 to \$385,888 – over a \$141,000 difference – state budget planning is difficult. States must have answers to avoid last-minute program cuts, potential layoffs, reduced compliance and negative impacts on our air quality.

Oregon

The President's proposed 16-percent decrease to air grant funding would mean an annual decrease of about \$450,000 to the Oregon state air program, or more than four FTEs. This comes at the same time that EPA is proposing to tighten the fine particulate standard to enhance public health protection. In Oregon, there are 13 communities that are at risk of not meeting the new standard and that means more funding is needed for monitoring, emission reduction work followed by additional monitoring to measure results.

Instead, under the President's proposal, Oregon would be forced to reduce monitoring sites. The state would be forced to shut down half of the state-wide continuous monitoring network and even shut down monitors in some of the at-risk communities. The continuous monitoring network provides the data for the Air Quality Index, Air Now, woodstove and clean air action day advisories, the very data that the public relies on to protect their health.

Oregon would also lose the funding to assist the at-risk communities with pollution reduction efforts. Many local governments do not have the resources or the technical expertise to develop and implement emissions reduction strategies. They must rely on the state air program to help them meet the new standard, provide healthy air for their citizens and avoid the harsh regulatory and economic consequences of nonattainment.

Oregon – Lane Regional Air Pollution Authority

Lane Regional Air Pollution Authority (LRAPA) is a small (18-staff) local clean air agency in Oregon. A 16-percent reduction in Section 103 and 105 funds would reduce our staffing by about one-half full-time equivalent (FTE). This would reduce our responsiveness to citizen air pollution concerns, our public information outreach, and the frequency of monitoring for particulate matter (PM). These reductions would occur when we are grappling with the needed additional resources to address the proposed tightening of the PM_{2.5} health standards (and

resultant increased required monitoring frequency and public outreach) scheduled to be finalized by EPA later this year.

Pennsylvania

How much would a 16-percent cut in Section 103/105 grants to your agency be in dollars?

The Pennsylvania Department of Environmental Protection (PADEP) is responsible for implementing the federal Clean Air Act in this Commonwealth, except in Allegheny and Philadelphia counties where the Health Departments administer approved local air pollution programs. For FY 2006, PADEP received approximately \$5,448,521 in Section 103 and Section 105 grants; \$810, 609 in non-matching Section 103 grant funds and \$4,637,912 in Section 105 grant funds. The projected 16-percent cut in Section 105 and Section 103 grants would result in an \$871,763 decrease in federal funding for PADEP's air program.

It is important to note, however, that the projected 16-percent cut in Section 103 and Section 105 grants is not distributed evenly. The current amount budgeted nationally in the Section 103 grant is \$42.1 million. The current plans calls for a Section 103 grant reduction of \$17 million, which amounts to a 40-percent reduction (nationally) in funding for the Section 103 PM_{2.5} monitoring program. Assuming a 40-percent cut in the Section 103 grant, funding would be cut by approximately \$324,300, reducing that Section 103 grant to \$486,300. The remaining \$18-million reduction in funds would then be taken from the Section 105 grant which equates to approximately a 10-percent reduction from this grant.

What would be the impacts of the cut on public health and your program?

PADEP allocates sixty percent (60 percent) of the total Section 103/Section 105 grants for salaries. With a 16-percent cut in total grant funds, a loss of 12.5 Full Time Equivalents (FTEs) would likely occur. This equates to a 4-percent reduction in air program staff. The loss of 12.5 FTEs could result in delays in processing certain types of authorizations and permit applications, delays in resolving noncomplying activities and responding to citizen complaints and reductions in the frequency of inspections. Certain Clean Air Act and Section 105 grant obligations, including the expansion of PADEP's air toxics program, the development of revisions to the State Implementation Plan for 8-hour ozone, PM_{2.5} and regional haze obligations could also be affected adversely by cuts in federal grants.

The current level of Section 103 and Section 105 funding also supports operation and maintenance costs, the purchase of supplies as well as laboratory costs associated with 21 PM_{2.5} FRM sites. (This number already reflects the three-site reduction in 2005). A 40-percent cut in Section 103 funds would eliminate the operation of eight additional FRM sites in Pennsylvania and reduce the number of PM_{2.5} FRM sites to 13, a total reduction of 11 FRM sites (46-percent reduction) in two years. The current Section 103 grant also supports the operation, maintenance, supplies and the high filter analysis costs associated with 13 speciation samplers. A 40-percent decrease in funding could result in the loss of five speciation sites, leaving only eight sites throughout Pennsylvania. In addition, the purchase of two continuous ammonia monitors and subsequent plans to order continuous sulfate and continuous carbon analyzers would have to be

postponed or cancelled because operations and maintenance costs for these projects would have been covered by Section 103 grant funds.

On January 17, 2006, EPA proposed revisions to the particulate matter National Ambient Air Quality Standard to lower the PM_{2.5} 24-hour health-based standard and to also establish an “inhalable coarse particle” 24-hour primary standard. Using the proposed 24-hour PM_{2.5} standard, and comparing it to the 2002-2004 design values, there would be an increase in the number of PM_{2.5} nonattainment areas in Pennsylvania.

EPA’s proposed revisions to the Ambient Air Monitoring Regulations in Part 58 could have a significant impact on the number of air monitoring sites operated by the Department. Current regulations require PM_{2.5} sampling in Metropolitan Statistical Areas (MSAs) with populations greater than 200,000. While not a blanket requirement, new regulations could require PM_{2.5} sampling in MSAs with populations between 50,000 and 100,000. Similarly, current regulations require an ozone monitor in an urbanized area with a population over 200,000. Under the proposed Part 58 regulations, ozone monitoring in an urbanized area of 50,000 or more may be required.

The projected cuts in federal funding jeopardize programmatic activities that are critically needed for the protection of public health and the environment. With further reductions in federal funding in FY 2007, training and attendance at conferences would be curtailed or, in certain instances, eliminated. Federal funding cuts would also result in fewer resources for developing and implementing new computer systems to improve overall efficiency and expedite the issuance of approvals.

Pennsylvania – Allegheny County

Allegheny County, Pennsylvania could operate at current levels with 16-percent cuts in these grant funds. This is due to mandatory county-wide layoffs we had just prior to last fiscal year, which greatly reduced our spending. We lost six positions in the Air Quality Program. We have struggled to make our match. The service cuts have already occurred. In fact we are not drawing down all of the grant monies we are entitled to because of those cuts.

What is more troubling to us is the possibility of having to match the PM_{2.5} Section 103 grant monies. If we were required to match the Section 103 grant, we anticipate at least a \$40,000 shortfall in matching funds after using other county funds to match as much as possible. This can not be made up by cutting back on the number of sites or monitors alone, since the instruments have been paid for and the daily operating costs in electricity and testing do not amount to that much. What could happen is that one of two staff persons currently paid for by the Section 103 grant to run the network might have to be let go, which would result in the shutting down of half of our current 12 monitor sites in the PM_{2.5} network.

A question that is being asked by our fiscal staff is: what happens to the Maintenance of Effort (MOE) requirement if EPA cuts back their contribution? Does our MOE spending level also get reduced? If so, the county might make further reductions in spending with unknown consequences.

Rhode Island

Rhode Island received \$1,505,000 in Clean Air Act Section 105 funds for federal FY 2006. Those federal funds and state matching funds support just over 26 FTE's. A 16-percent reduction in federal funds will result in the loss of 3 FTE's.

The entire state of Rhode Island is nonattainment of the air quality standard for ozone. Much of Rhode Island's air quality efforts are directed towards reducing the NO_x and VOC emissions that contribute to ozone formation. Because Rhode Island is located downwind from some of the United States' major metropolitan, industrial and power generation areas, most of our ozone problem is transported to us on prevailing winds. We cannot control the ozone air quality in Rhode Island by ourselves. In order to protect our citizens, Rhode Island must assure emission reductions occur in those upwind metropolitan, industrial and power-rich areas. To that end, Rhode Island has been spending resources working aggressively to reduce upwind emissions by, among other things, working through the Ozone Transport Commission, the Ozone Transport Assessment Group and by filing a petition under Section 126 of the Clean Air Act.

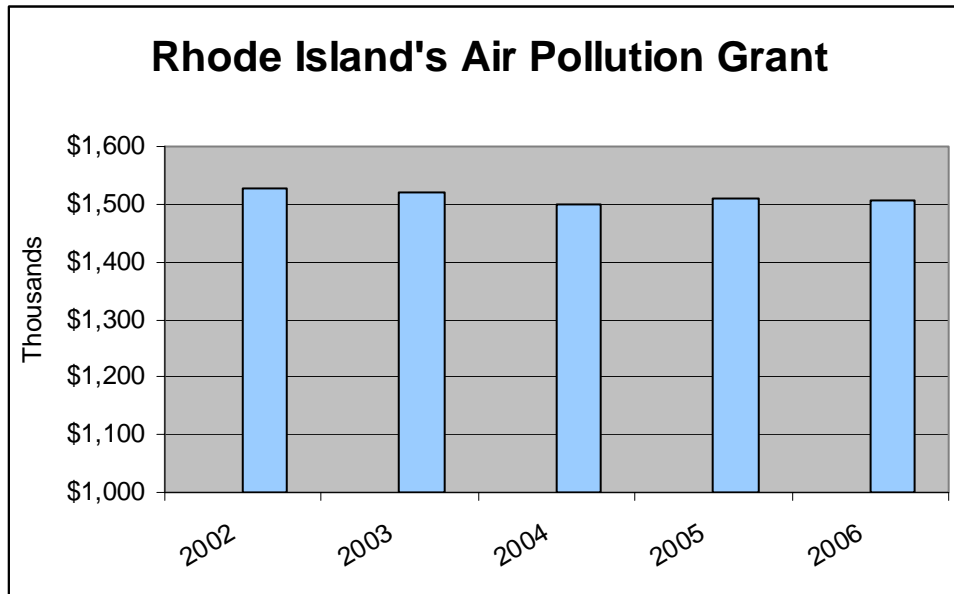
Rhode Island has also been working aggressively to reduce emissions from in-state sources. We must do that to protect our citizens, so that we can ask credibly that upwind sources reduce and to reduce the downwind impact of our emissions. In the March 2003 Rhode Island Attainment Plan for the one-hour ozone standard, we list the programs administered by some of those 26 FTE's that we will need to achieve the one-hour ozone standard. Listed are 14 emission reduction programs in place, three emission reduction programs for future implementation, two emission reduction plans and operation of the enhanced Photochemical Assessment Monitoring Stations.

Ozone is not the only air quality problem we face. Rhode Island administers 40 air pollution control regulations that include, in addition to the ozone control programs mentioned above, air toxics, permitting, low-emission vehicles, I/M, particulate emissions, fugitive dust, odor, visible emissions, incinerators, alternative fuels and removal of lead based paint. The public is keenly interested in these programs because the hazards controlled directly and noticeably affect their lives and well being. We would be remiss as public servants to advocate for anything other than a complete air quality program that meets the needs of all Rhode Islanders.

Don't forget the modeling, air monitoring, daily air quality forecasts and administration that are necessary. The point of all of this is that **THERE IS NO SHORTAGE OF WORK TO BE DONE.**

Because we are a small state with such a small staff and because air quality is such a diverse discipline, individuals cannot concentrate work in a narrow field, but must have expertise in a few areas. Therefore reducing the staff by three FTE's will force us to roll back activities in a number of areas, not just reduce activity in a few areas that larger states may be able to do. This has the potential to increase emissions and create an uneven playing field among the various source categories we currently regulate.

For a number of years we have been making due with less. Section 105 funding has been nearly level since FY 2002. Most states would show a pattern similar to the one shown in the chart below. Section 105 funding has not kept up with inflation, further squeezing the available funding. In fact, Rhode Island's FY1995 funding level is higher than any of the five years shown on this chart.



South Carolina

For the third year in a row EPA has passed the majority of the federal budget cuts to the states. Like last year, this year the cuts to states are actually larger than the overall EPA cut. States stand to lose \$416 million out of the State and Tribal Assistance Category Grants. This means EPA is effectively planning to keep \$26 million of the money formerly assigned to states for its own purposes. STAG provides financial assistance to states to develop the technical, managerial and enforcement capacity to operate the environmental programs that combat air pollution and assure compliance with federal environmental laws. This funding should be adequate to maintain programs that have been mandated by federal requirements and to develop programs that EPA mandates to states each year. Needless to say, adequate funding has not been provided in the past and will not be provided in 2007.

The most important concern is that South Carolina is losing funding that it needs to be proactive and stay ahead of the national air quality standards and be protective of public health.

The following are some of the negative impacts of the 2007 federal budget on South Carolina's air quality:

- *The STAG grants for ongoing state and local air management programs would decrease by \$35.1M in FY 2007. The decrease would include: \$15.6M from the Section 105 air*

grants program, \$17M from the Section 103 fine particulate monitoring program, and \$2.5M from regional planning organizations.

- Section 105: South Carolina’s budget to conduct core programmatic activities would be decreased to \$1,091,196 (a reduction of \$207,847). As in past years, EPA would continue to develop federal rules and requirements and enact stringent mandatory deadlines to meet these requirements, but with less funding. Less funding for South Carolina would mean a reduction in the following activities and efforts:
 - Air Toxics facilities – EPA has identified Air Toxics as a priority; but is cutting funding that would address Maximum Achievable Control Technology (MACT) Minor (area) Source, 112r inspections and any associated compliance, enforcement, and accidental release prevention. In many cases, these facilities have the potential to impact the public and the environment the most as they do not have full-time environmental staff. Air toxics emitted in small quantities can cause serious illnesses, irreversible health effects, and often persist in the environment for many years, and therefore regular inspections of facilities emitting these pollutants are necessary.
 - Indoor Air – While there are no standards or regulations related to indoor air, we receive approximately 100 calls per month from concerned SC citizens. We would not be able to continue to provide the customer service that our citizens expect.
 - Education and Outreach – Participation would be reduced for in school-focused activities, such as school bus/vehicle anti-idling campus projects, participation in the SC State Department of Education’s successful “Environment as an Integrating Context for Learning” model, and decreased activity in the award-winning alternative commute project, “Take a Break from the Exhaust” project.
 - Proactive Efforts – The Early Action Compact effort has been a tremendous success for SC and is the reason why the Upstate (Greenville, Anderson and Spartanburg counties) and the Midlands (Richland and Lexington counties) do not currently have mandatory federal requirements like nonattainment New Source Review and Transportation Conformity.
 - Data analyses, emission inventory development and modeling efforts to help plan for attainment for the national ambient air quality standards.
 - Compliance Assistance for small industries – Through compliance assistance, many issues and concerns have been identified and corrected before they could become problems for the industry or the environment.
- Fine Particulate Monitoring: The fine particulate monitoring program funding is being decreased; however, EPA will expect that the same monitoring with less funding.
 - A reduction would preclude SC from achieving a planned renovation to the weigh room at the laboratory.

- Regional Planning Organizations: EPA has established mandatory requirements to develop State Implementation Plans to improve visibility at federal Class I areas by December 2007. States were strongly encouraged by EPA to work in Regional Planning Organizations (RPO) to complete the technical work for regional haze. SC participates in “VISTAS” which is made up of 10 states in the southeast. The funding provided to VISTAS has not been adequate to complete the technical work required and it will be extremely difficult to complete this complex work with less funding again this year and still be able to meet the federal SIP deadline. State programs do not have the funding to complete this work. Another frustration, EPA continues to develop guidance long after establishing mandatory requirements and deadlines for states to meet. EPA still has not developed all the guidance necessary for the regional haze program.
- Training coordinated and provided by the Bureau to its staff would be seriously impacted by these funding cuts. Required training for staff, such as that coordinated with the California Air Resource Board (CARB), and distance learning resources would be reduced. Also to be impacted through reduced activity would be the Bureau’s provision through contract for Visible Emissions Evaluation (VEE) certification programs which occur every six months for air program inspectors, as well as industry representatives. Reductions would also likely negatively impact coordination for training opportunities through regional training consortia, such the one South Carolina participates in through Metro 4/SESARM.
- *Under the FY 2007 budget request, the fine particulate monitoring program would be funded under the Section 105 authority, rather than the Section 103 authority. State and local agencies would have to provide the additional matching funds necessary.*
 - Moving the Section 103 funding, which requires no match, to Section 105, which requires a state funding match, is a critical Maintenance of Effort (MOE) concern for many states. The irony at this time is that some financially strapped agencies may face additional federal grant reductions due to difficulties in meeting MOE obligations. EPA must conduct a recalculation of MOE obligations to provide reductions in expectations proportional with grant allocations.
- *The STAG total includes a major increase for clean diesel programs to a total of \$49.5M. The grants would be awarded on a competitive basis using the authority of the Energy Policy Act of 2005. State and local governments would be eligible for up to 30 percent of the \$49.5M on a project-specific basis. Under language included in the President’s budget request, only projects in nonattainment areas would be eligible for funding.*
 - While this is a great opportunity to improve air quality by reducing diesel emissions, the only area of SC that can take advantage of this funding is the portion of York County that was designated as nonattainment because of its proximity to Charlotte, NC. Areas wanting to be proactive and improve air quality to keep from being designated nonattainment and avoid mandatory federal requirements like nonattainment New Source Review and Transportation

Conformity cannot receive this funding. Thus, areas with the worst air quality are being rewarded while proactive areas are being penalized. In addition, it would appear that this funding has been provided by decreasing core state air program funding – again penalizing those areas working proactively to improve air quality for their citizens.

- For areas in South Carolina that receive any funding under the clean diesel program, there would be an expectation that the state air program would provide technical assistance to the entity receiving the funding even though it received no funding to assistance these efforts.
- This money should be made available to Early Action Compact areas (EACs) since they would be designated nonattainment but for the deferral via the EAC process.

Tennessee

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

Section 105 cut of 8.8 percent: \$1,267,062 X 0.088 =	\$111,501
Section 103 cut of percent: \$485,000 X 0.40 =	<u>\$194,000</u>
Total Budget Cut =	\$305,501

What would be the impacts of the cut on public health and your program?

The Tennessee Department of Environment and Conservation’s Division of Air Pollution Control (TDEC-APC) is a state agency with primary authority to regulate 91 of the state’s 95 counties, with the remaining four counties being regulated by four local air pollution control agencies. Those agencies operate under the permission of the Tennessee Air Pollution Control Board and receive their federal funding directly from EPA. At full staff, TDEC-APC has 164 full-time employees and an annual budget of approximately \$12,500,000, of which Section 105 funding supports approximately \$4,000,000. Salaries, including fringe benefits and indirect costs, make up over 75 percent of the budget. Any budget cut of this nature is likely to result in impacts to as many as 6.5 FTEs. Every effort will be made to prevent layoffs as TDEC-APC is trying to implement succession planning within the confines of civil service requirements to replace retiring workers with fully experienced leaders. However, FTE reductions will be evaluated. TDEC-APC continually takes a look at the “nice versus necessary” components of its program. Air quality forecasting and the support of EPA’s Air Now website is an excellent use of air quality funding, yet there is no regulatory requirement to implement it. It could be curtailed or eliminated. TDEC-APC is also trying to enhance the general quality of its emission inventories. While we will conduct all of our regulatory development and permit modeling with refined, accurate inventories, the day-to-day maintenance of the inventories thereafter may suffer with more reliance on default values. A reduction in PM_{2.5} and ozone ambient monitoring activities is likely to save on FTE operational costs, equipment/shelter maintenance costs and analytical costs. It is troubling that the cuts are also coming at a time that EPA is proposing to establish a new PM NAAQS with totally new monitoring requirements. Finally, air toxics

monitoring may be curtailed due to the cuts. The monitoring data for air toxics is useful for agencies to compare predicted versus measured values in regulating and speaking about air toxics.

The proposed budget cut will also require us to reduce the number of facility and asbestos demolition/renovation inspections that we are presently conducting. Additionally, there are a number of outreach and incentive programs that could also suffer as a result of the cuts. Tennessee has three Early Action Compact programs that have started a number of grass-roots citizen interest groups. EPA denied two other bids for an Early Action Compact, but the citizen interest group work in those areas continues. That work can only improve attainment of the NAAQS in those nonattainment areas. More and more Tennesseans are becoming involved in air quality matters and taking an interest in their personal life style's impact on air quality. The paucity of funds for local governments is well known throughout the nation, and it would be a shame to see these programs curtailed in their infancy.

Tennessee – Nashville

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

The combined 16-percent reduction in funding would result in a loss of \$32,000 in Section 103 funds and a loss of \$48,000 in PM_{2.5} monitoring funds.

What would be the impacts of the cut on public health and your program?

The Metro Public Health Department, Pollution Control Division (PCD) is a local air pollution control program with full authority to conduct all air pollution control activities in the metropolitan area of Nashville, Davidson County, TN. At full staff, the PCD has 13 full-time employees and an annual budget of approximately \$1,200,000. Salaries including fringe benefit and indirect costs make up over 90 percent of the budget. Any budget cut of this nature is going to result in a layoff of at least one or more employees. The result of such a layoff will be a reduction in PM_{2.5} ambient monitoring activities and most likely a reduction in other Criteria pollutant ambient monitoring as well. The cuts are also coming at a time that EPA is proposing to establish a new PM NAAQS with totally new monitoring requirements.

The proposed budget cut will also require us to reduce the number of facility and asbestos demolition/renovation inspections that we are presently conducting. I expect an increase in the time required to obtain a new source review permit for minor and synthetic minor sources and a delay in the response time for following up on citizens' complaints regarding air pollution.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

As shown above, the cut in Section 103 funding will have a greater impact on this agency's overall budget than the cut in the Section 105 funding.

Texas – Houston

Assuming a 16-percent cut in Houston's Bureau of Air Quality Control Sections 103 and 105 EPA pass-through grants, and also assuming that the Section 103 grant is shifted to Section 105, all as proposed, and that no additional city general funds are available to compensate for the federal cuts, it could yield one of several possible scenarios:

1. One full FTE cut in a current staff of five grant-supported staff, severely risking our ability to sustain EPA-required air monitoring data standards, necessary for on-going evaluations of Houston's regional ozone and PM_{2.5} attainment status;
2. Inability to maintain our PM_{2.5} program, given that a 16-percent cut (\$71,908), exceeds \$61,000, which fully funds our PM_{2.5} maintenance network maintenance;
3. Increased unreliability of monitoring analyzer instruments, by not renewing timely replacement of those instruments, otherwise overdue for replacement or repair (frequent technical repairs of these maintenance sensitive equipment become cost-prohibitive); or
4. A combination of increased equipment unreliability with lack of funding to maintain adequately trained staff.

Utah

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

\$365,984, or about 5 percent of our entire air quality budget (fees, state general funds, and federal grants)

What would be the impacts of the cut on public health and your program?

Section 105 Permitting Program

Impact: The estimated cut is about \$43,218 and would reduce New Source Review (NSR) permitting capacity by about 4 percent. Timely permitting of enterprises critical to the state economy (e.g., cement plants, power plants, gas pipelines, and refinery enhancements) could take longer. Our ability to develop community-specific or industry sector-specific solutions would be diminished. Past examples include dust emissions from gravel pits in St. George, Brigham City, and Cottonwood Heights, regional haze solutions with western power plants, agricultural burning programs and natural gas exploration and production initiatives.

Section 105 Planning Program

Impact: The cut to Section 105 funding would be \$72,932. This would reduce the agency's ability to develop air quality plans for Cache Valley and the new PM_{2.5} and ozone standards that will be finalized in 2006 and 2007, respectively. Our ability to develop community-specific or industry sector-specific solutions would be diminished. Past examples include dust emissions from gravel pits in St. George, Brigham City, and Cottonwood Heights, regional haze solutions with western power plants, agricultural burning programs, and natural gas exploration and production initiatives.

Section 103 Air Monitoring Program

Impact: The reduction in Section 103 funds would be \$168,800 and a reduction in Section 105 funds would be \$86,437 for a total reduction of \$255,237. This could require closing most of Utah's PM_{2.5} monitoring sites. There could be serious difficulty in assessing the impact of particulate pollution on much of Utah's population. In addition, the Division of Air Quality (DAQ) would have only limited capability to perform special studies most important to communities (e.g., air toxics in Provo, dioxin in Layton, air toxics in Brigham City, PM_{2.5} in Cache Valley, ozone and PM_{2.5} in the Uinta Basin and St. George and future mercury monitoring).

Division Program Support

Impact: The reduction in Section 105 funds would be \$67,529. This would drastically affect web page support and the majority of public outreach, as well as possible reductions in toxicology support. DAQ could lose its ability to assess health impacts of highly toxic pollutants such as dioxin, benzene, and mercury. This would eliminate our participation in the child asthma program. Web portals to support 24/7 business transactions and information requests would be seriously reduced. Finally, discretionary programs such as Clean Utah!/Performance Track would become increasingly difficult to support because of increased demands of the core mandatory responsibilities.

Program Matching Funds

Part of the concern has been the impact of match requirements, specifically that the Section 103 funding would be added to the Section 105 funding, which would increase our match requirement, since the Section 105 funding requires a 40-percent match and there is no match on the Section 103 funds. This is not anticipated to be a problem for Utah since we over match on the Section 105 grant already.

Is there any other information you would like to include in your response that helps to characterize the impacts of the proposed budget cuts?

The reduction could require a reduction of several FTEs without some new source of funding.

The notion that state program performance is deficient based on the Program Assessment Rating Tool (PART) analysis of criteria that are the complete responsibility of the federal government is specious. Reductions to STAG will actually destroy state capacity that is far more efficient than EPA air program administration. For example, the STAG program is blamed for the inability of EPA to revise NSR regulations. The regulations have not been revised because they are being litigated in federal courts, not because states have not performed their responsibilities. The irony is that many states are far more efficient in permitting than EPA. For example, the State of Utah had a coal-fired power plant NSR-PSD permit in place and a Title V Operating Permit ready for public comment when EPA took over regulation because the plant was in Indian Country. It took EPA nearly four years to reissue permits that were actually already in place! The State of Utah recently permitted two new coal-fired power plants from

scratch in less than two years. In 2002, a gas turbine power plant was permitted in less than six months and all state and federal permitting rules were met. In addition, western states have proposed numerous proposals for improving the NSR-PSD program, but EPA has not been willing to push these proposals forward.

Vermont

The following is the Department of Environmental Conservation's assessment of the impacts if the President's FY 2007 budget request should be passed by Congress in its present form. It should be noted, however that this budget has not yet been debated in Congress and if past history is any indication of what will happen in Congress, we will see at least some restoration of funds to the states. In actuality, we will not see final budget figures until January of 2007, several months after we construct our state budget based on best estimates of final federal numbers.

Nationally the air program is being reduced by \$35.1 million. Although it is very unclear how this will affect the state, it is assumed that we will lose approximately \$100,000. This will result in reduction in the air monitoring program to measure new health-based standards that are proposed by the federal government, and the elimination of the Shoreham monitoring for IP. This seems to be consistent with the new federal philosophy (see expectmore.gov) that emphasizes air monitoring in areas of highest population exposed. It is important to monitor air quality in rural areas to understand long-range transport of air pollution and it costs just as much to monitor clean air as dirty air. Therefore, rural air monitoring is not a high priority and in fact some of the new monitoring regulations proposed by EPA will not be applicable in areas with populations under 100,000.

Another ongoing problem has been the fact that the federal grant awards are not keeping pace with inflationary program pressures. In fact, most of our ongoing grants have never been increased, yet the federal government continues to expect the same programmatic outcomes and recently is expecting even more effort and outcomes without increasing funding support for those outcomes.

Any new money being awarded is usually tied to new work and we are usually not allowed to move current program staff to the new work.

Virginia

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

For Virginia, the proposed cuts in both grants would be approximately \$235,000 for Section 103 and \$450,000 for Section 105, for a total of \$685,000.

What would be the impacts of the cut on public health and your program?

The reduction in Section 103 funds for PM_{2.5} could result in reduction of two to three FTEs, and the termination of five to six monitoring sites. The impact of this would mean the remaining monitoring network would be inadequate to provide even minimally acceptable PM_{2.5} data for planning and other purposes.

The cut in the Section 105 grant program could result in the loss of as many as three to five 5 FTEs. Such a reduction in staffing could reduce source inspections by 5 to 10 percent, and would mostly likely require the termination of several monitoring stations currently supported by Section 105 funds. In addition, EPA funding for monitoring equipment replacement and upgrades could also be eliminated or substantially reduced.

The potential impact on public health would mean less air quality data from which to identify areas with poor air quality. Conducting fewer source inspections could mean an increase in the number of facilities operating in violation of emission control requirements.

Washington

How much would a 16-percent cut in Sections 103/105 grants to your agency be (in dollars)?

The 15.9-percent cut would mean the loss of \$587,000 to Washington in federal air grants in FY 2007. This comes on top of a cut of \$305,000 in FY 2006 (\$258,000 in Section 103 and \$47,000 in Section 105). Additional state match of approximately \$130,000 may be required as remaining Section 103 dollars become Section 105 dollars. The combined financial impact for FY 2007 is \$717,000.

What would be the impacts of the cut on public health and your program?

Workload: elimination of 50 percent of PM_{2.5} monitoring effort, reduction in capacity for state to respond to new fine particle standards and closure of the two smallest local air agencies representing Benton County and Yakima County.

All regional haze and visibility work would be eliminated, returning responsibility to EPA (Note: This has already been done in part due to state budget reductions in 2004). Budget reductions would eliminate approximately seven positions if state match dollars are not found and six positions if match dollars are found.

Public Health: The cuts would cripple Washington State's response to public health threats from fine particles at a time when EPA has proposed a tighter standard. At EPA's proposed level, Washington would likely return to nonattainment (violation of federal air quality standards) for PM_{2.5} in five to seven urban counties containing the majority of the state's population.

Nonattainment triggers monitoring needs under federal rules and would require a significant new effort to develop and implement clean air plans and strategies to clean up any

new nonattainment areas. Washington would not be able to effectively measure pollution levels, possibly creating nonattainment due to lack of complete data rather than actual violations of standards, and the cuts would make assessment of control strategies and design of cost-effective solutions problematic. The cuts would jeopardize the state's ability to prepare timely SIPs, putting the state at risk of federal sanctions, including the loss of approximately \$250 million in federal transportation dollars and federally imposed controls.

Potential closure of two smaller local air agencies would eliminate enforcement and compliance presence in two counties with a combined population 387,000 people (6 percent of the state population). The closure would also eliminate complaint response for the two counties and radically slow technical assistance and permit processing for businesses in the two counties, since this responsibility would shift to the state, which has very limited air quality staff in the area and no added resources to take on the work.

Elimination of regional haze work forces EPA to take on the assignment. Best Available Retrofit Technologies (BART) determinations and regional haze SIPs would be developed by EPA. The state air quality agencies have a good working relationship with the business community that would deteriorate as responsibility and decision-making shift to EPA. Since regional haze work is considered part of the state's obligation under the federal Clean Air Act, EPA could remove additional Section 105 dollars from Washington to cover its costs of taking on the regional haze SIP/FIP effort. Although no cost estimates have been made, EPA would most likely rely on consultants since they are not staffed or funded to do this work. Costs could range from a few to many hundreds of thousand of dollars for BART analysis and FIP development, further depleting available air grant resources for the state.

West Virginia

Assuming EPA will cut our Section 105 grant funding by 16 percent for FY 2007, we could lose approximately \$236,000. Since much of our grants are directed to personnel costs, we would lose 4.23 technical positions, which would likely affect monitoring and planning activities. This reduction in funding could not come at a worse time, considering an anticipated reduction in Section 103 grant funds for PM_{2.5} monitoring; planning activities for PM_{2.5}, 8-hour ozone and regional haze; implementing the Clean Air Interstate Rule and the Clean Air Mercury Rule; EPA's push to implement more voluntary reduction programs; and increased costs for training to make up for EPA's reduced funding for this activity.

Wisconsin

The cuts to state air grants included in the President's proposed FY 2007 federal budget will have dire consequences for the Wisconsin Department of Natural Resources (WDNR) Air Management Program. The depth of these cuts places us at the point of returning key federal programs to EPA and eliminating state programs. Furthermore, Wisconsin will be unable to take on responsibility for new federal programs associated with the proposed particulate matter standards. In all, this will severely curtail our ability to fulfill our public health protection responsibilities.

- Federal grant funding to WDNR will drop by an estimated \$700,000; from the current level of \$4.9 million to \$4.2 million. This will result in a 9.5 FTE cut in federally funded positions, reducing Section 105 grant funded positions to a total of 23.5 FTE.

Wisconsin currently struggles to satisfy the grant match requirement under CEL (continuing eligibility level). The proposed budget includes provisions that will significantly increase our match obligations, to an estimated 51.54 percent. At this rate, we will be unable to match the full grant allocation. Thus these cuts will be felt even more deeply in Wisconsin.

- WDNR state match required under the CEL will increase to 51.54 percent, from the current total match level of \$2.9 million to an estimated \$3.1 million.

See Tables 1 and 2.

Federal Programs to be Returned to US EPA:

- Federal fine particulate and haze air quality planning and implementation
- Fine particulate ambient air monitoring program; including PM_{2.5} FRM sampling, continuous fine particulate monitoring, precursor gas monitoring, nephelometers, and haze cams
- Area source MACT implementation
- Ambient air toxics monitoring

State Programs to be Eliminated:

- State Hazardous Air Pollutant Program (Currently regulates 700+ HAPs)
- State Cumulative Cancer Risk Modeling & Voluntary Reduction Program
- Air Quality Forecasting & Air Quality Health Advisory Program
- Voluntary Air Emission Reduction Programs
- Diesel Retrofit Programs

State Programs to be Reduced:

- Ozone planning and implementation
- Ozone ambient air monitoring network
- Asbestos program implementation
- Minor source compliance and enforcement

Examples of the Impact in Wisconsin:

Air Quality Forecasting and Health Advisory Program – Although our forecasting and advisory program has significant public interest and benefit, it is not required and under the proposed federal cuts would be eliminated. Currently, federal funding supports meteorological, monitoring and communications staff who issue air quality health advisories when air quality exceeds or is expected to exceed levels unhealthy for sensitive groups as determined by EPA's Air Quality Index (AQI). These air quality health advisories are issued as a public health service through media news releases, web postings, voicemail messages and emails to interested individuals. The advisories have substantial public support and attract significant media interest.

The advisories are labor-intensive, requiring regular monitoring checks, continuously updated meteorological assessments and a comprehensive communication network.

A compelling example of the impact of this program is the fine particle episode in the Great Lakes region, in late January to early February 2005. The episode lasted more than a week in Wisconsin. During this episode we issued daily air quality health advisories to inform those sensitive to air pollution of actions they may take to mitigate the impact on their health. WDNR received several hundred telephone calls from school principals, county health officials, the media and concerned citizens.

Voluntary Community Risk Reduction – Supported by federal funding, Wisconsin has invested several years of effort developing a tool that allows us to identify the air toxic risk in our communities. With this geographic information-based model we can identify those communities that have an unacceptable public health risk that remains after implementation of the state and federal air toxic programs. We would no longer be able to support this targeted and very cost-effective approach to addressing public health threats. We have already experienced success with this approach in a community that was facing a one in 100,000 cancer risk. The facility involved, after understanding its local impact, initiated significant changes in its operations that will eliminate this threat. We have identified scores of additional areas in the state that we believe could benefit from a voluntary risk reduction program that we could no longer perform under the cuts proposed.

Public Health Tracking and Information Network – In partnership with the Wisconsin Department of Health and Family Services and supported by federal funds, we have been successful at linking our air monitoring data with incidences of hospital emergency room visits, hospital discharges, the state cancer registry and death certificates. This is an ongoing project and reflects our increased emphasis on identifying air pollution public health impacts. To evaluate causal relationships we have employed the geographic information-based model that is the foundation of our community risk reduction program. Our ability to evaluate public health using our air quality data will be greatly diminished under the proposed federal funding reductions. Participating in this public health tracking effort would likely be eliminated. To be successful, this public health tracking program requires consistent base level program funding for all partners.

Area Source MACT Implementation – We would return area source MACT implementation to EPA. Area source MACT standards for chromium electroplaters, drycleaners, and halogenated solvent degreasers are an effective means of reducing public exposure to hazardous air pollutants. Recent area MACT compliance initiatives revealed significant levels of noncompliance, 47 percent with paperwork problems and 18 percent with emission problems. These initiatives helped return these facilities to compliance. The entire area source MACT program would be returned to EPA for implementation.

Asbestos – We would reduce asbestos program implementation by one FTE in Southeast Wisconsin. This area of the state receives approximately 40 – 45 percent of the state asbestos notifications per year. The staff person currently performing this work completes 250 – 275 asbestos inspections per year. Over the past two years alone, the enforcement actions in this area have resulted in forfeitures of over \$250,000. The loss of this position will severely curtail asbestos inspection, complaint investigation and enforcement action in the most heavily

populated area of the state. Without a rigorous enforcement program, asbestos violations will increase and more asbestos will be emitted to the air. Asbestos is a known carcinogen. Cancer risk will rise.

Air Toxics Monitoring – WDNR has an active monitoring program for toxic air pollutants. Because the program works on very limited budgets it would be significantly affected by a reduction in funding. WDNR would have to decrease work activities on projects and in some cases return monitoring responsibility back to the EPA Region 5 office.

Table 1: WDNR Federal Share of Air Grant and Percent State CEL Match, by FY

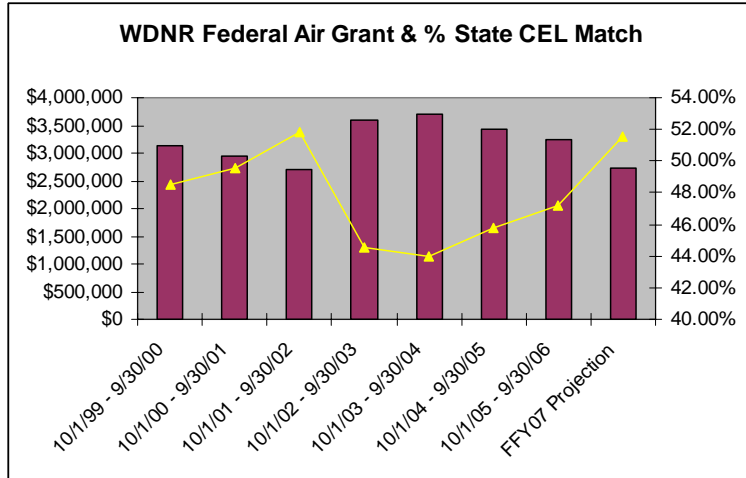


Table 2: WDNR Full Time Equivalent Positions Funded by Federal 105 Grant, by FY

